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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1956



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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1956





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By Lindquist, von Husen & Joyce

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By Skinner & Hammond

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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF
CONTROLLER

October 3, 1956

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1956 is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by Lindquist, Von Husen & Joyce by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by Skinner & Hammond.

Municipal Railway, by Barlow, Davis & Wood.

San Francisco School Department, by Benson & Neff.

Employees Retirement System, by Arthur Young & Co.

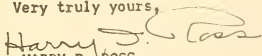
As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,

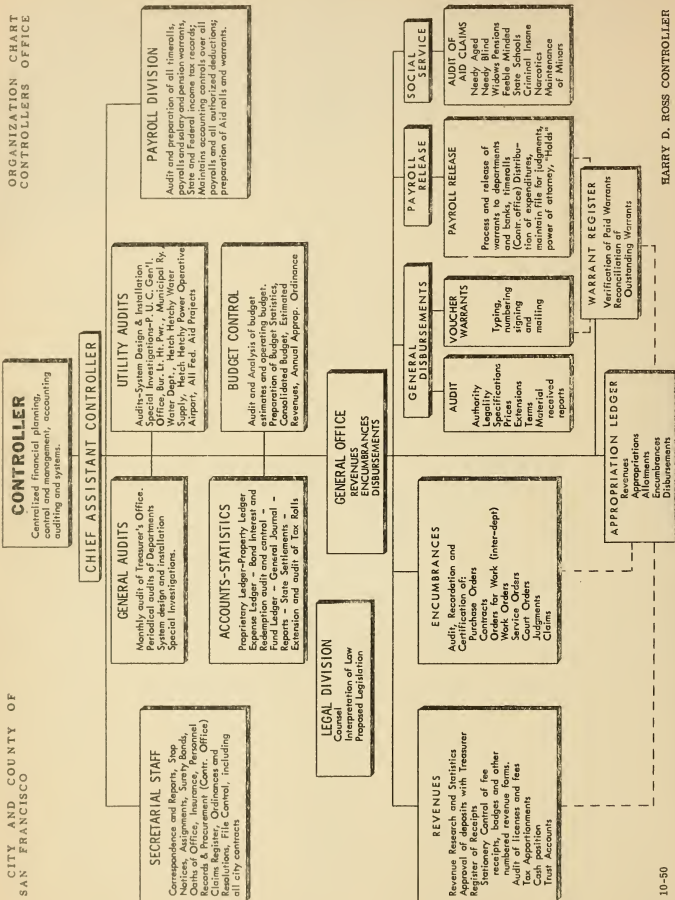

HARRY D. ROSS

CONTROLLER



CITY AND COUNTY OF
SAN FRANCISCO

ORGANIZATION CHART
CONTROLLERS OFFICE



STATEMENT OF REVENUES

FISCAL YEAR ENDED JUNE 30

* *Immunomodulation*

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF EXPENDITURES

Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)	1954 (a)	1955 (a)	1956 (a)
Departmental Expenditures:										
General Government:	\$ 6,193,959.93	\$ 6,925,959.92	\$ 7,585,988.85	\$ 7,828,393	\$ 7,789,286	\$ 8,767,034	\$ 8,539,705	\$ 9,385,669	\$ 9,909,585	\$ 10,250,985
Public Safety:	10,857,546.70	12,839,310.39	14,393,249.89	15,228,793	15,888,907	17,509,966	18,748,784	20,804,800	22,004,766	22,657,205
Highways:	1,473,382.64	1,709,206.37	1,922,531.04	2,046,428	1,963,287	1,950,737	2,732,811	3,028,109	3,287,857	3,486,338
Sanitation and Waste Removal:	1,842,717.46	1,929,911.11	2,118,572.33	2,141,219	2,147,014	2,569,934	2,957,688	3,269,346	3,324,461	3,486,338
Sanitation and Health:	1,375,165.57	1,615,711.13	1,892,336.02	2,088,305	2,123,358	2,390,449	2,502,420	2,753,708	2,806,125	2,918,451
Hospitals:	4,726,101.63	5,825,183.39	6,318,117.81	6,601,352	6,696,240	7,761,571	6,478,313	7,107,558	7,738,386	7,858,224
Public Welfare:	10,177,329.89	11,707,740.52	8,995,960.80	10,882,610	20,859,900	20,821,625	22,233,625	22,027,819	22,430,499	23,470,816
Corrections:	828,720.40	979,876.16	1,008,140.47	1,018,600	1,080,704	1,251,296	1,801,926	1,965,756	2,106,164	2,184,814
Social Services:	16,101,288.56	19,136,480.37	21,719,421.03	23,006,066	24,390,045	26,798,540	29,341,754	31,363,509	32,027,730	33,965,430
Libraries:	1,151,356.36	1,212,421.03	1,306,000.00	1,306,000	1,306,000	1,306,000	1,306,000	1,306,000	1,306,000	1,306,000
Recreation:	4,221,776.93	4,737,851.59	5,276,653.38	5,296,062	4,753,800	4,932,813	5,078,479	5,443,246	5,580,062	5,824,208
Total Departmental Expenditures:	58,452,825.60	68,103,337.83	71,102,986.83	76,950,480	88,518,467	95,677,549	101,337,839	108,170,972	112,340,950	116,634,732
Bond Redemptions:	3,115,000.00	3,015,000.00	4,189,000.00	4,639,000	5,098,000	5,383,000	5,540,000	5,654,000	6,694,000	6,888,000
Bond Interest:	1,031,769.30	959,252.78	1,077,821.78	1,298,730	1,335,016	1,367,580	1,447,005	1,618,812	1,594,498	1,669,775
Other Interest:	2,125.00	.....	.....	.....	.....	.....	.....	.....	.....	.....
Pensions and Compensation:	4,457,047.00	7,519,358.77	8,285,240.80	10,516,145	10,918,329	11,880,452	12,544,720	13,527,239	13,761,938	15,325,584
Judgments and Losses:	34,463.47	57,147.57	56,343.48	37,177	79,389	21,749	213,570	125,789	209,633	175,068
Support of Public Service Enterprises:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hetch Hetchy Project:	6,836.06*	.....	.....	.....	.....	.....	.....	.....	.....	.....
Airports:	891,489.22	1,504,236.56	2,632,670.00	2,966,290	2,996,780	1,712,594	1,604,442	1,465,459	1,890,856	795,774
Municipal Railway:	.....	.....	2,461,249.14	.....	1,062,032	2,384,117	9,000*	.....	2,932,848	3,098,178
Public Utilities Commission:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Light, Heat and Power:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bureau:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Expenditures From Revenues:	2,735,964.71	2,986,764.38	1,022,824.77	28,679	213,740	65,136	1,812	139,379	145,615	210,319
Civilian Defense:	31,188.35	4,103,630.48	5,034,158	5,034,158	7,297,801	3,621,951	3,447,108	5,777,715	5,237,613	5,500,062
Assessments:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other Civil:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Divisions:	198,210.00	181,598.36	170,342.08	171,825	190,383	169,133	99,000	99,000	336,113	132,000
Miscellaneous, net:	2,432,511.38	733,508.34	1,817,305.93	140,910*	274,018	8	761,785	1,049,231*	820,044*	48,261*
Total Expenditures:	\$73,373,778.17	\$85,083,098.95	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,586,674	\$127,203,977	\$135,730,407	\$144,510,750	\$150,567,165

*Denotes Credit.

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
STATEMENT OF OPERATIONS
Fiscal Years 1946-47 to 1956-56

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)
Water Sales	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318	\$12,133,574	\$12,683,906	\$13,048,334
Operating Expenses:										
Provision for Depreciation ...	888,180.86	891,767.46	889,337.61	906,404.87	940,076.04	948,787.58	970,779	1,077,970	1,178,805	1,190,549
Other Operating Expenses ...	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,650	8,109,677	8,119,086
	7,480,106.64	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620	9,288,482	9,309,635
Profit from Operations	3,039,244.71	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954	3,395,424	3,738,699
Other Income	210,773.60	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11	382,030	923,093	578,909	379,623
	3,250,018.31	3,107,685.44	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047	3,974,333	4,118,322
Other Expenses:										
Interest on Bonded Debt	1,246,783.33	1,179,263.34	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083	914,115	875,664	838,325
Other	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,538	60,058	83,724	71,003
	1,305,284.84	1,219,290.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173	959,388	909,328
Net Income	\$ 1,944,733.47	\$ 1,888,394.85	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,209,919.76	\$ 3,246,418	\$ 3,688,874	\$ 3,014,945	\$ 3,208,994

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS

Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)
Power Sales	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981	\$4,289,746	\$4,526,289	\$4,517,503
Steady Charge and Sale of Water to the S. F. Water Dept	3,731,008.00	3,533,700.00	3,780,804.29	3,588,504.63	3,575,046.00	3,445,250.00	3,545,590	3,545,590	4,030,000	4,030,000
	7,050,912.76	6,925,972.27	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336	8,556,289	8,547,503
Operating Expenses:										
Provision for Depreciation	1,518,809.10	1,514,979.47	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945	1,825,007	1,794,028
Other Operating Expenses	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817	3,226,122	3,170,478
	3,095,009.89	3,384,589.16	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762	5,051,129	4,964,506
Profit from Operations	3,955,902.87	3,541,383.11	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574	3,505,160	3,582,997
Other Income	19,065.14	22,833.35	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767	41,715	40,255
	3,974,968.01	3,564,216.46	3,923,809.91	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341	3,546,875	3,623,252
Other Expenses:										
Interest on Bonded Debt	2,233,977.70	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321	1,572,251	1,451,714
Other	87,910.45	.....	.....	.....	.....	2,248.68	2,354	.....	16,490	.....
	2,321,888.15	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321	1,588,741	1,451,714
Net Income	\$1,653,079.86	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667	\$1,590,020	\$1,958,134	\$2,171,538

*Denotes Loss.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS
Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Revenues	\$19,038,755.53	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37	\$23,491,980.98	\$22,137,625.17	\$21,087,543.29	\$20,456,021.15
Operating Expenses:										
Depreciation.....	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97	1,732,383.04	1,399,251.37
Other Operating Expenses ..	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54	20,867,915.18	20,285,821.91	20,559,117.37
	19,557,473.66	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15	22,018,204.95	21,958,368.74
Profit from Operations	518,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*	930,361.66*	1,502,347.59*
Other Income.....	51,678.23	10,519.31	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31	56,617.87	92,562.84
	467,039.90*	1,295,301.99*	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,055.67*	874,043.79*	1,409,784.75*
Other Expenses:										
Interest on Market Street Railway purchase.....	85,721.02	64,725.99								
Interest on Bonded Debt..	32,083.34	30,727.50	107,194.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08	249,193.47	227,698.57
Other		202,926.02	137,716.09		96,784.97	58,471.67	1,320.47	91,202.15	29,840.93	17,711.64
	117,804.36	298,379.51	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23	279,034.40	245,410.21
Net Income	\$ 584,844.26*	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,968.93	\$ 882,472.50*	\$ 1,153,078.19*	\$ 1,655,194.90*

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Revenues:										
Landing Charges	\$ 90,375.37	\$118,658.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82	\$ 422,577.78	\$ 444,124.65	\$ 480,489.69
Rentals	98,219.64	143,041.93	98,308.75	118,759.03	135,241.60	157,800.59	181,356.96	212,851.71	657,339.69	853,288.87
Other	99,430.73	101,127.58	195,573.44	246,669.66	298,727.52	380,536.80	469,125.99	528,949.11	1,028,036.66	1,251,440.88
	288,025.74	362,827.77	423,983.26	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60	2,129,501.00	2,585,219.44
Operating Expenses:										
Depreciation	434,979.48	434,958.82	638,043.10	646,046.19	823,339.87	832,193.45	811,347.59	718,388.20	730,489.68	1,029,908.17
Other Operating Expenses	254,921.49	388,833.69	505,176.63	571,061.36	583,435.30	584,750.31	694,630.55	703,119.80	1,162,997.86	1,401,178.89
	689,900.97	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00	1,893,487.54	2,431,087.06
Profit from Operations	401,875.23*	460,964.74*	720,236.45*	698,845.10*	759,488.97*	585,048.45*	455,486.37*	257,129.40*	236,013.46	154,132.38
Other Income	18,933.88	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74	102,875.46	114,560.26
	382,941.35*	435,056.99*	690,051.28*	673,491.91*	725,763.87*	553,132.29*	426,046.29*	197,537.66*	338,888.92	268,692.66
Interest on Bonded Debt	13,188.56	29,303.68	106,390.54	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12	138,586.88	168,796.86
Other Expenses					2,481.22	15,151.13	(20,253.67)	185,139.94	89,037.72	89,173.95
	13,188.56	29,303.68	106,390.54	87,584.53	123,381.63	149,242.81	96,288.77	284,248.06	227,624.60	257,970.81
Net Income	\$396,129.91*	\$464,360.67*	\$796,441.82*	\$761,076.44*	\$849,145.50*	\$702,375.10*	\$522,335.06*	\$481,785.72*	\$111,264.32	\$10,721.85

*Denotes Loss

CITY AND COUNTY OF SAN FRANCISCO
SALES TAX ON REAL PROPERTY
FOR THE 10 YEAR PERIOD JULY 1, 1946 TO JUNE 30, 1956

	Increase or Decrease			Balances - June 30, 1956		
	Total	Land	Buildings & Improvements	Total	Land	Buildings & Improvements
GENERAL GOVERNMENT						
Civic Center, Incl. City Hall	\$ 610,820.56	\$ 137,132.83=A	\$ 104,018.72	\$ 1,798,591.80	\$ 1,421.6	\$ 1,798,591.80
PUBLIC SAFETY						
Police Department	8,846,695.65	313,723.18	3,521,728.02	981,181.45	18,038,404.13	4,718,031.11
Police Department	995,371.72	178,240.00=A	110,309.21	1,033,322.51	592,500.10	4,440,822.37
Department of Electricity	87,201.51		13,806.33	73,393.28	141,000.00	1,179,163.21
HIGHWAYS						
Streets, Tunnels, Bridges Etc.	38,113,067.17	1,192,158.25	31,631,665.81	103,077,223.31	12,653,212.15	313,536.27
Off-Street Parking	1,171,717.10		1,171,717.10	1,171,717.10	1,171,717.10	114,734.57
SANITATION						
Street Cleaning Department	944,573.50	888,739.12	52,834.18	888,739.12	52,834.18	
Sewer & Sewage Disposal Plants	36,834,168.21	992,931.91	35,600,556.43	60,304,295.17	1,766,127.90	58,131,563.82
Sanitation Department	285,218.21			285,218.21	15,000.00	65,112.50
HEALTH CONSERVATION						
Hasler Health Home	98,765.59		32,857.93	1,316,978.20	1,116,607.52	173,337.78
Civic Center Health Building	223,050.75	575.00=B	735.79	1,394,013.24	158,013.19	324,220.55
Excelsior Health Center	302,550.00			85,063.50	44,335.00	44,335.00
San Francisco Health Center	67,152.55=A	112,165.00=A	71,579.38	223,683.37	90.00	139,351.19
HOSPITALS						
San Francisco Hospital	1,523,967.04	19,630.00=A	1,009,339.78	7,972,812.61	671,926.97	1,316,990.73
Emergency Hospitals	71,175.62			71,175.62	10,999.70	233,519.43
PUBLIC UTILITIES						
Public Works Department	982,727.12	1,937,856	731,115.06	6,031,692.82	25,082.15	839,901.10
Public Works Department	1,171,160.16	137,500.00	193,278.25	1,312,231.15	193,278.25	100,153.20
WELFARE						
S. F. Welfare Department	29,095.91			882,810.96	38,156.52	29,502.59
County Jail	2,565,009.81			2,565,009.81		1,171,717.10
Juvenile Detention Home - Old	1,307,740.40	50,400.00		50,400.00		85,948.87
Juvenile Log Cabin Ranch	123,016.11			202,905.50	25,110.09	28,594.67
SCHOOLS						
	53,158,246.09	1,079,768.68	13,582,337.18	5,196,160.23	105,514,881.86	9,651,605.06
LIBRARIES						
	605,183.50	13,114.19	163,579.72	98,189.59	136,124.19	1,761,052.35
RECREATION						
Marine Corps Art Gallery	8,131,021.16	637,318.53	7,164,103.15	13,182,158.03	3,119,501.71	9,235,659.68
Marine Corps Art Gallery Etc.	630,023.56		500,183.46	1,972,029.28	1,681,721.24	523,305.04
War Memorial & Opera House	5,176,716.76		9,257.39	1,873,187.20	4,793,779.35	1,602,232.17
Park & Squares	2,565,009.81	615,612.71	1,586,266.68	2,873,124.76	260,281.91	1,711,717.10
Auditorium	421,974.52		63,153.17	2,121,453.17	4,031,768.00	1,002,230.69
San Francisco Stadium	8,175.00		26,171.35	1,198,810.17	222,811.18	979,008.69
Kearl Stadium	141,723.42	125,822.68	288,900.91	1,111,927.03	333,125.53	8,111.45
OTHER						
Central Warehouse & Corporation Yard	821,716.82	169,592.36	695,134.16	1,111,927.03	333,125.53	8,111.45
Watermain System	375,753.83	132,866.94=A	189,161.19	323,157.10	12,525.99	375,753.83
Highways						
Total	\$15,795,705.58	\$1,312,909.75	\$1,157,268.92	\$12,017,100.91	\$10,213,039.12	\$1,798,591.80
						\$1,798,591.80

A - Re-allocated to Other City Departments

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONAL TO THE STATEMENT OF FINANCIAL RESULTS
FOR THE 10 YEAR PERIOD JULY 1, 1946 TO JUNE 30, 1956

Source of Funds	Total	Land	Buildings Structures & Improvements	Equipment
General Fund				
Recreation - Park	\$11,462,353.05	\$ 266,421.27	\$ 6,437,449.70	\$1,955,282.44
Library	3,165,936.58	1,081,606.46	1,908,794.65	112,535.33
Public Works	531,685.56	39,779.94	100,310.86	90,771.70
California Palace of the Legion of Honor	111,089.11		85,131.28	3,627.48
de Young Memorial Museum	1,877,576.13		391,493.69	93,082.21
Publicity and Advertising	300.00			300.00
Special Gas Tax Street Improvement	9,768,731.46	2,315,573.43	6,911,076.38	12,081.65
San Francisco Unified School District	9,018,159.12	2,100,658.07	7,128,491.22	788,967.40
Special Accumulative Building Fund - Schools	1,016,309.91	528,103.21	1,570,206.70	3,669,187.40
Child Care Centers	24,159,146			24,159,146
	165,254,252.35	7,595,530.37	28,104,566.51	9,564,155.17
Capital Funds:				
Rail Property - General City	1,128,887.66	1,001,262.05	127,705.63	
1927 Bond - U. S. D.	1,000,000.00		1,000,000.00	
1927 Boulevard Bonds	135,523.66	4,074.18	131,507.83	
1931 Parks & Squares Bonds	2,159.58		2,159.58	
1933 Sewer Bonds	1,463.28	30.00	1,433.28	
1935 Paying Bonds	1,754.05		4,354.58	
1937 Paying Bonds	377,454.01		4,354.58	
1946 Sewer Bonds	20,114,911.72	916,919.98	19,198,068.75	327,121.83
1944-48 Juvenile Home & Court Bonds	4,255,376.44		4,197,162.87	3,955.99
1947 Street Improvement Bonds	16,213,657.04	310,939.95	15,929,500.71	57,819.77
1947 Off-Street Parking Bonds	9,511,216.11	864,026.26	8,647,189.85	3,140.35
1947 Sewage Treatment Bonds	13,753,215.05	71,989.93	13,681,409.28	244,991.12
1948 School Bonds	12,868,518.60	951,510.67	10,131,151.91	160,815.84
1947 Warehouse Bonds	2,519,072.67	178,215.70	2,340,856.97	1,785,215.99
1948 Warehouse Home Bonds	665,256.63		665,256.63	5,189.65
1951 Sewer Bonds	104,105.87		91,185.38	12,420.49
1951 San Francisco Hospital Bonds	64,226.01		64,226.01	
1951 Exhibit Hall Bonds	111,051,991.95	3,684,773.52	104,906,121.10	2,161,197.03
Trust Funds:				
State Highway	2,117,306.87	86,605.86	2,185,701.01	1,151.11
San Francisco	15,000.00	15,000.00		
Sigmond Stern Donation	2,168,161.20	101,605.86	2,185,701.01	1,151.11
Total Additions	915,795,705.58	\$11,381,999.75	\$135,396,688.92	\$12,017,106.91
*Denotes Decrease				

CITY AND COUNTY OF SAN FRANCISCO
ASSESSMENT ROLLS

Fiscal Years 1946-47 to 1956-57

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject to City & Co. Ad Valorem Rate	Rate	Solvent Credits Taken @ 10¢ per \$100	Total
1946-47	Unsecured - City and County Assessor...				110,180,654		110,180,654	4.83	291,963,081	402,143,737
	Secured - City and County Assessor.....		297,150,419	379,741,290	5,517,536	16,967,838	665,441,407	5.55	9,112,900	674,554,307
	Secured - State Board of Equalization....		11,291,570	41,736,690	32,055,820		85,084,080	5.55	62,005,211	1,447,089,730
	Total.....		\$308,441,989	\$421,477,980	\$147,754,010	\$16,967,838	\$ 860,706,141		\$363,081,193	\$1,225,779,334
1947-48	Unsecured - City and County Assessor...				150,379,489	4,464,748	145,914,741	5.55	328,391,141	474,895,881
	Secured - City and County Assessor.....		304,975,992	403,718,630	4,811,461	34,899,392	678,606,691	5.62	7,769,526	686,376,217
	Secured - State Board of Equalization....		11,441,450	43,692,360	33,962,940		89,096,750	5.62	32,033,180	1,375,124,930
	Total.....		\$316,417,442	\$447,410,990	\$189,153,890	\$39,364,140	\$ 913,618,182		\$369,193,847	\$1,281,612,739
1948-49	Unsecured - City and County Assessor...				176,254,123	2,170,550	174,083,573	5.62	388,791,008	562,874,584
	Secured - City and County Assessor.....		333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	8,097,591	737,450,815
	Secured - State Board of Equalization....		11,566,170	49,385,230	35,695,010		96,646,410	6.09	33,209,320	1,296,856,720
	Total.....		\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$430,099,919	\$1,435,184,126
1949-50	Unsecured - City and County Assessor...				187,081,075	2,368,931	184,712,144	6.09	413,302,218	598,014,362
	Secured - City and County Assessor.....		338,327,522	447,097,465	7,996,786	39,773,711	753,648,062	5.66	10,463,329	764,111,391
	Secured - State Board of Equalization....		11,634,050	60,688,540	40,147,520		112,470,110	5.66	34,463,430	1,461,535,540
	Total.....		\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316		\$458,228,977	\$1,509,059,293
1950-51	Unsecured - City and County Assessor...				174,987,355	2,460,275	172,527,080	5.66	446,958,945	619,484,025
	Secured - City and County Assessor.....		338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	6.29	7,389,121	781,698,378
	Secured - State Board of Equalization....		11,594,320	64,845,380	38,418,540		114,858,240	6.29	41,805,700	1,566,085,640
	Total.....		\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577		\$496,153,766	\$1,557,848,343
1951-52	Unsecured - City and County Assessor...				199,089,454	2,242,564	196,846,890	6.29	541,279,205	738,126,094
	Secured - City and County Assessor.....		340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	6.19	9,174,744	809,568,550
	Secured - State Board of Equalization....		15,762,340	66,620,930	41,853,110		124,236,380	6.19	58,441,640	1,037,879,600
	Total.....		\$356,201,420	\$559,588,370	\$254,433,380	\$48,746,094	\$1,121,477,076		\$609,095,609	\$1,730,572,684
1952-53	Unsecured - City and County Assessor...				220,812,645	2,086,937	218,725,708	6.19	571,045,856	789,771,564
	Secured - City and County Assessor.....		348,660,965	530,992,235	12,794,831	44,981,574	847,466,457	5.67	8,388,619	855,855,076
	Secured - State Board of Equalization....		16,714,810	67,703,770	44,590,910		129,009,490	5.67	50,655,040	1,029,684,036
	Total.....		\$365,375,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,655		\$630,089,515	\$1,825,291,170
1953-54	Unsecured - City and County Assessor...				232,302,098	2,014,395	230,287,703	5.67	598,586,730	828,874,438
	Secured - City and County Assessor.....		350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	5,772,285	863,500,023
	Secured - State Board of Equalization....		16,799,640	68,685,230	47,872,160		133,357,030	6.27	59,152,340	1,029,597,370
	Total.....		\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471		\$663,511,355	\$1,884,894,924
1954-55	Unsecured - City and County Assessor...				233,165,805	2,385,376	230,780,429	6.27	658,769,128	889,549,557
	Secured - City and County Assessor.....		351,797,115	562,069,670	9,133,322	53,599,964	869,400,143	6.85	11,636,238	881,036,381
	Secured - State Board of Equalization....		16,750,680	72,376,320	49,673,340		138,800,340	6.85	55,227,520	1,040,077,860
	Total.....		\$368,547,795	\$634,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912		\$725,632,886	\$1,964,612,798
1955-56	Unsecured - City and County Assessor...				235,577,529	2,253,342	233,324,187	6.85	715,294,484	948,618,671
	Secured - City and County Assessor.....		353,884,456	582,012,805	9,090,434	54,527,921	899,459,774	7.02	7,918,999	907,378,773
	Secured - State Board of Equalization....		16,950,530	74,359,330	48,923,710		140,413,570	7.02	58,884,640	1,049,294,226
	Total.....		\$370,834,986	\$666,552,135	\$293,591,673	\$56,781,263	\$1,264,197,531		\$782,098,163	\$2,046,285,064
1956-57	Unsecured - City and County Assessor...				251,560,750	2,791,079	248,769,671	7.02	796,294,793	1,045,064,464
	Secured - City and County Assessor.....		353,996,820	606,734,380	8,902,349	57,862,631	911,270,936	7.06	8,651,591	919,922,527
	Secured - State Board of Equalization....		18,011,480	77,302,980	50,165,830		145,480,290	7.06	54,914,560	1,099,344,850
	Total.....		\$372,008,300	\$683,537,360	\$310,628,929	\$60,653,692	\$1,305,520,897		\$859,860,944	\$2,165,381,841

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1947-48 to 1956-57

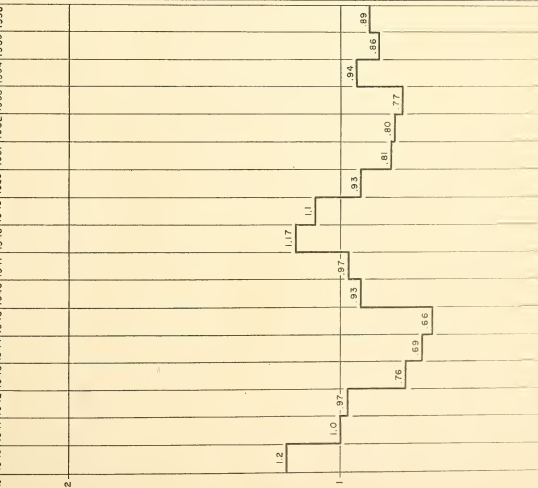
	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
General Fund - Charter Limit \$1.65.....	1.228896	1.126318	1.261335	1.288331	1.181879	1.100226	1.127311	1.026134	.976736	1.184449
General Fund - Other Necessary Expenditures Not Limited	1.332376	1.415456	1.320391	1.481594	1.446522	1.351770	1.738365	2.111081	2.202325	2.197722
United School District	1.366733	1.645139	1.299661	1.562837	1.702265	1.608920	1.682564	1.569888	1.754236	1.972106
Recreation	1.28131	1.139433	1.26423	.....	.....	.....	.....	.....	.....	.....
Park	1.94877	2.72223	2.03699	.....	.....	.....	.....	.....	.....	.....
Recreation and Park .....	.....	.....	.....	333286	308968	300406	333419	308652	342745	386349
Library .....	.079649	.085277	.079214	1.03886	.083429	.084568	.086696	.093976	.103168	.101886
Employees' Retirement .....	.607937	.572093	.761183	.728602	.768251	.727307	.774782	.868473	.858667	.942984
Bond Interest and Redemption .....	.427027	.345373	.232312	.257541	.225908	.166542	.184849	.309244	.287207	.026527
de Young Museum .....	.024749	.046452	.019540	.041135	.020559	.025020	.035008	.023888	.025787	.031897
California Palace of the Legion of Honor .....	.015741	.021058	.015458	.015651	.017172	.016888	.018072	.018568	.017771	.018213
War Memorial .....	.014676	.019291	.017742	.021101	.016755	.017447	.017548	.018690	.018530	.021774
Publicity and Advertising .....	.031683	.027403	.026161	.026098	.024423	.022763	.022529	.021227	.020999	.020228
Tax Judgments .....	.....	.....	.....	.....	.....	.....	.....	.....	.002842	.....
Child Care Centers .....	.....	.....	.....	.....	.008818	.014731	.016049	.008877	.014446	.015999
Special Election Fund .....	.006512	.....	.....	.000100	.....	.000267	.....	.....	.....	.....
Bay Area Air Pollution Control Dist. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.004128
Lighting Public Streets and Buildings ....	.130660	.129071	.093146	.103213	.096888	.095479	.106698	.103809	.099317	.104257
Airport .....	.030353	.030325	.203735	.190286	.118155	.137666	.116020	.161256	.040926	.004129
Municipal Railway .....	.....	.215088	.....	.119469	.170008	.....	.....	.206237	.254298	.099352
P. U. C. Purchase of California St. Cable R. R. Co. ....	.....	.....	.....	.016870	.....	.....	.....	.....	.....	.....
Contribution to Purchase Buano Forest .....	.....	.....	.....	.....	.....	.....	.010090	.....	.....	.....
Total Levy	5.62	6.09	5.66	6.29	6.19	5.67	6.27	6.85	7.02	7.06

CITY AND COUNTY OF SAN FRANCISCO

PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING

%	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
2																	

CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES
Fiscal Years 1931-32 to 1955-56

Fiscal Year	Amount of Levy	Amount	Uncollected at June 30, %	Uncollected at June 30, 1956 %
1931-32	\$32,714,463	\$718,830	2.20	\$10,226
1932-33	31,752,726	1,705,381	5.37	225,029
1933-34	26,883,270	1,316,809	4.95	160,312
1934-35	28,808,183	988,096	3.33	25,807
1935-36	30,534,662	612,784	2.00	23,673
1936-37	30,866,643	449,704	1.45	19,496
1937-38	31,994,075	483,081	1.50	30,002
1938-39	33,337,812	442,132	1.32	18,566
1939-40	32,575,722	390,407	1.19	27,466
1940-41	35,162,785	367,339	1.04	42,038
1941-42	36,469,225	354,934	.97	66,909
1942-43	37,469,083	288,158	.76	61,500
1943-44	36,797,771	254,508	.69	49,319
1944-45	39,647,406	262,652	.66	33,929
1945-46	41,184,389	380,975	.93	38,394
1946-47	47,374,328	457,779	.97	49,867
1947-48	51,718,354	602,860	1.17	91,264
1948-49	60,779,270	669,631	1.10	166,272
1949-50	66,858,563	567,417	.83	90,340
1950-51	66,522,057	537,393	.81	79,628
1951-52	70,596,215	561,703	.80	112,052
1952-53	69,947,162	539,325	.77	120,269
1953-54	76,082,542	716,632	.94	206,644
1954-55	84,569,028	724,412	.86	304,820
1955-56	89,230,675	799,165	.89	799,165

H D ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
TAX YIELD
FISCAL YEAR 1956-57

Taxes on property assessed by City & County: Real Estate, Improvements, and Secured Personal Property:	<u>VALUATION</u>	<u>TAX YIELD</u>	<u>RATE PER \$100</u>
Real Estate and Improvements	\$ 960,231,200		
Tangible Personal Property	8,902,349		
Less Veterans' and Welfare Exemptions	<u>57,862,613</u>		
	911,270,936	\$ 64,335,971.46	7.06
Solvent Credits	<u>8,651,591</u>	<u>8,649.26</u>	.10
Total	<u>919,922,527</u>	<u>64,344,620.72</u>	
Unsecured Personal Property (Collected):			
Tangible Personal Property	108,840,208		
Less Veterans' and Welfare Exemptions	<u>2,318,324</u>		
	106,521,884	7,477,895.24	7.02
Solvent Credits	<u>479,709,081</u>	<u>479,716.18</u>	.10
Total	<u>586,230,965</u>	<u>7,957,611.42</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	142,720,542		
Less Veterans' and Welfare Exemptions	<u>472,755</u>		
	142,247,767	9,985,812.29	7.02
Solvent Credits	<u>316,585,712</u>	<u>316,589.54</u>	.10
Total	<u>458,833,499</u>	<u>10,302,401.83</u>	
Total Assessed by City and County Assessor	\$ <u>1,964,986,991</u>	\$ <u>82,604,633.97</u>	
Taxes on property Assessed by State Board of Equalization:			
Real Estate and Improvements	95,314,460		
Tangible Personal Property	50,165,830	10,270,908.54	7.06
Solvent Credits	<u>54,914,560</u>	<u>54,914.56</u>	.10
Total Assessed by State Board of Equalization	<u>\$200,394,850</u>	<u>\$10,325,823.10</u>	
Total of above Assessments	<u>\$2,165,381,841</u>		
TOTAL TAX YIELD 1956-57		<u>\$92,930,457.07</u>	

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF BONDING CAPACITY

AT JUNE 30, 1956

Maximum Limit:

12% of 1956-57 Assessment Roll (\$2,165,381,841) \$259,845,821

Bonded Debt Not Matured June 30, 1956

Total	\$177,079,000	
Exempt from 12% Limit (a)	<u>62,571,000</u>	114,508,000

Limit of Future Bond Sales (Subject to 12% Limit)	<u>\$115,337,821</u>
---	----------------------

Unissued (Unsold) Bonds, June 30, 1956:

	<u>Subject to 12% Limit</u>	<u>Exempt from 12% Limit</u>	<u>Total</u>
1947 Street Improvement	\$ 5,700,000		
1947 Off-Street Parking	2,000,000		
1947 Recreation	1,170,000		
1948 Sewage Treatment	450,000		
1948 Schools	990,000		
1952 Firehouse	1,950,000		
1954 Sewers	10,145,000		
1954 Exhibit Hall	3,275,000		
1954 Recreation Center	5,000,000		
1954 S. F. Hospital	4,330,000		
1954 Laguna Honda Home & Hospital	2,975,000		
1955 Hetch Hetchy Power	54,000,000		
1955 Playgrounds & Recreation Centers	7,000,000		
1956 Hall of Justice	19,475,000		
	<u>\$118,460,000</u>	<u>- 0 -</u>	<u>\$118,460,000</u>

- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

CITY AND COUNTY OF SAN FRANCISCO
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1956

General City, Including
S. F. Unified School District

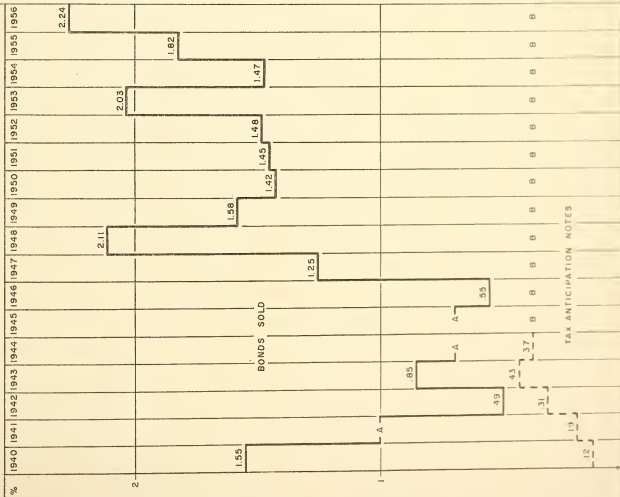
Public Service Enterprises

Fiscal Year	Grand Total	Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1956-57	\$20,754,771.25	\$9,202,695.00	\$7,407,000	\$1,795,695.00	\$11,552,076.25	\$8,951,000	\$2,601,076.25
1957-58	19,914,441.25	9,213,661.25	7,582,000	1,631,661.25	10,700,580.00	8,314,000	2,386,580.00
1958-59	19,924,667.50	9,227,325.00	7,761,000	1,466,325.00	10,497,342.50	8,334,000	2,163,342.50
1959-60	19,325,371.25	9,173,798.75	7,866,000	1,307,798.75	10,151,572.50	8,214,000	1,937,572.50
1960-61	18,143,256.25	9,115,923.75	7,976,000	1,139,923.75	9,627,332.50	7,314,000	1,713,332.50
1961-62	17,556,498.75	9,124,011.25	8,141,000	983,011.25	8,432,487.50	6,930,000	1,502,487.50
1962-63	17,297,938.75	9,075,053.75	8,245,000	830,053.75	8,222,885.00	6,929,000	1,293,885.00
1963-64	16,301,425.00	8,721,172.50	8,047,000	674,172.50	7,580,252.50	6,496,000	1,084,252.50
1964-65	14,600,150.00	8,177,525.00	7,652,000	525,525.00	6,422,625.00	5,531,000	891,625.00
1965-66	12,248,848.75	7,914,897.50	7,521,000	393,897.50	4,333,951.25	3,593,000	740,951.25
1966-67	7,589,318.75	4,215,137.50	3,960,000	255,137.50	3,374,181.25	2,750,000	624,181.25
1967-68	7,104,286.25	3,839,975.00	3,670,000	169,975.00	3,264,311.25	2,750,000	514,311.25
1968-69	5,103,510.00	2,537,187.50	2,430,000	107,187.50	2,566,322.50	2,160,000	406,322.50
1969-70	3,912,277.50	1,801,312.50	1,740,000	61,312.50	2,110,965.00	1,800,000	310,965.00
1970-71	3,069,570.00	1,140,087.50	1,115,000	25,087.50	1,929,482.50	1,700,000	229,482.50
1971-72	775,500.00				775,500.00	600,000	175,500.00
1972-73	748,500.00				748,500.00	600,000	148,500.00
1973-74	721,500.00				721,500.00	600,000	121,500.00
1974-75	694,500.00				694,500.00	600,000	94,500.00
1975-76	667,500.00				667,500.00	600,000	67,500.00
1976-77	640,500.00				640,500.00	600,000	40,500.00
1977-78	613,500.00				613,500.00	600,000	13,500.00
	\$20,507,631.25	\$102,479,763.75	\$91,113,000	\$11,366,763.75	\$105,027,867.50	\$85,966,000	\$19,061,867.50

Unsold Bonds at June 30, 1956 in the amount of \$118,460,000 are not included.

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

ON BONDS AND TAX ANTICIPATION NOTES
SOLD DURING FISCAL YEARS ENDING

A = No Bonds Sold

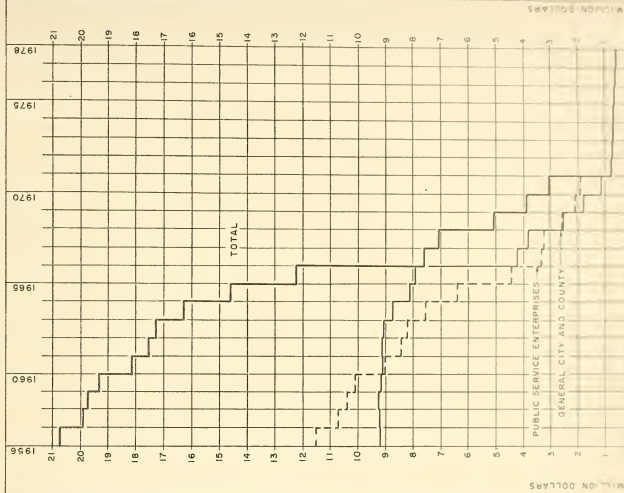
B = No Tax Anticipation Notes Sold

H.D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING



MILLION DOLLARS

H.D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

SOURCE OF REVENUES:
General City Issues:

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Taxes	\$ 4,017,955	\$ 3,596,089	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536	\$ 3,544,397	\$ 3,682,287	\$ 931,400
Special Road Improvement Fund ..	88,200	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Improvement Fund	516,250	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189	5,056,962	8,396,295
Surplus .....	.....	.....	136,932	.....	.....	.....	.....	.....	.....	.....
	4,622,405	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586	8,739,249	9,327,695

Public Service Enterprises:

Utility Earnings:

Water Department	5,610,412	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397	6,880,615	6,743,649
Herch Herchy Project	1,505,373	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594	705,299	610,130
Municipal Railway	127,500	868,771	1,231,388	315,722	.....	1,849,107	1,861,459	.....	.....	.....
Airport .....	.....	.....	.....	124,584	366,099	437,912	663,500	433,830	1,502,010	1,196,939
Capital Improvement Fund (via Utility)	1,162,500	2,358,085	1,166,765	968,202	620,151	.....	.....	.....	.....	2,992,167
Taxes (via Utility)	294,710	289,855	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892	3,753,012	2,634,376	145,442
	8,700,495	11,134,849	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833	11,722,300	11,688,327
Total Budgeted Requirements	\$13,322,900	\$16,450,735	\$17,760,577	\$19,082,099	\$18,858,697	\$18,922,395	\$19,063,544	\$20,403,419	\$20,461,549	\$21,016,022

Office of the Controller



REPORT AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1956

LINDQUIST, VON HUSEN AND JOYCE

CERTIFIED PUBLIC ACCOUNTANTS

332 PINE STREET

SAN FRANCISCO 4

YUKON 2-0366

RUDOLPH E. LINDQUIST
FRED J. VON HUSEN
JOHN F. JOYCE
NORMAN THOMAS

October 29, 1956

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

Gentlemen:

In accordance with your resolution No. 16,404, we have examined the books of account, records and transactions of the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1956, and submit herewith the following statements:

Exhibit

- A Combined proprietary balance sheet, June 30, 1956
- B Proprietary balance sheet, Public Service Enterprises, June 30, 1956
- C Statement of revenues, expenditures and current surplus, General City, June 30, 1956
- D Statement of revenues, expenses, and surplus, Public Service Enterprises, June 30, 1956
- E Statement of capital surplus, General City, June 30, 1956
- F Summary of fixed assets, June 30, 1956
- G Statement of bonded indebtedness, June 30, 1956
- Individual fund balance sheets, June 30, 1956:
 - H Summary
 - I Current Funds
 - J Capital
 - K Retirement and other public trust funds
 - L Private trust funds
 - M Assessment and redemption funds
 - M Agency funds
 - N Public Service Enterprises
 - O Reconciliation of proprietary balance sheet with funds balance sheet, June 30, 1956

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller but are maintained in the offices of the several enterprises. Examination of these accounts are made by other auditors as follows:

By other independent public accounts:
Municipal Railway of San Francisco
San Francisco Water Department and Hetch Hetchy Project

By the Controller's Utilities Audit Division:
Public Utilities Commission
San Francisco Airport

Our examination of the books and accounts relating to the Office of the Controller was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of the accompanying combined proprietary balance sheet and the statement of revenues, expenses and surplus of the Public Service Enterprises we have incorporated data from reports of examination made as at June 30, 1956, by other auditors, except that the data covering the Public Utilities Commission included in this report was taken from unaudited statements furnished to us by the Public Utilities Audit Division and the Controller's Office because the audited report of the Public Utilities Commission was not completed at the date of this report.

Also, in the preparation of other phases of this report, we have necessarily incorporated data from reports of examination made as at June 30, 1956, by other auditors as follows:

By other independent public accountants:
San Francisco Unified School District (a separate
political entity)
City and County of San Francisco Employees'
Retirement System

By the Controller's General Audit Division:
Cash, securities and accounts of the Treasurer's Office

OPINION

In our opinion, based on the scope of examination previously described, the accompanying financial statements, together with the notes thereto, present fairly the position at June 30, 1956 and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of accounting applied on a basis consistent with that of the preceding year.

Yours very truly,

Lindquist, von Husen and Joyce
LINDQUIST, VON HUSEN AND JOYCE

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET

JUNE 30, 1956

	ASSETS	General City and County				Trust and Assessment Funds
		Total	Public Service Enterprises	Total	Current Funds	Capital Funds
FIXED CAPITAL:						
Properties (Exhibit F)	\$719,260,651		\$330,513,695	\$388,746,996		\$388,746,996
Less: Reserve for Depreciation	102,481,370		102,481,370			
	<u>616,779,281</u>		<u>228,032,285</u>	<u>388,746,996</u>		<u>388,746,996</u>
CASH:						
On deposit with treasurer	88,168,291		17,519,879	70,648,412	\$42,304,254	\$ 8,513,695
Cash in transit	2,283,770		2,684	2,221,086		2,220,188
Imprest funds	<u>102,900</u>		<u>52,650</u>	<u>50,250</u>	<u>50,250</u>	
	<u>90,494,961</u>		<u>17,575,213</u>	<u>72,919,748</u>	<u>42,355,402</u>	<u>10,733,813</u>
ACCOUNTS RECEIVABLE:						
Taxes receivable, current year	799,165			799,165		
Taxes receivable, prior years	2,025,310			2,025,310		
Penalties, costs, and interest	248,624			248,624		
Franchise taxes	877,328			877,328		
Federal and state subventions	3,356,796			3,356,796		
Other accounts receivable	<u>5,551,762</u>		<u>1,620,213</u>	<u>3,931,549</u>		
	<u>12,858,985</u>		<u>1,620,213</u>	<u>11,238,772</u>	<u>9,909,683</u>	
Less reserves for:						
Unsecured delinquent taxes and penalties	2,130,003			2,130,003		
Other accounts receivable	<u>1,077,090</u>		<u>55,911</u>	<u>1,021,119</u>		
	<u>3,207,093</u>		<u>55,911</u>	<u>3,151,122</u>		
	<u>9,651,922</u>		<u>1,564,302</u>	<u>8,087,650</u>	<u>6,759,361</u>	
	<u>1,214,892</u>		<u>89,414</u>	<u>1,125,478</u>	<u>1,125,478</u>	
	<u>1,214,892</u>		<u>89,414</u>	<u>1,125,478</u>		
	<u>-0-</u>		<u>-0-</u>	<u>-0-</u>		
	<u>176,997,605</u>			<u>176,997,605</u>		<u>176,997,605</u>
	<u>55,990</u>			<u>55,990</u>		<u>55,990</u>
	<u>177,053,595</u>			<u>177,053,595</u>		<u>177,053,595</u>
	<u>127,475</u>			<u>127,475</u>		<u>127,475</u>
	<u>4,312,534</u>		<u>920,002</u>	<u>3,392,532</u>	<u>2,758,325</u>	<u>634,207</u>
LEASE GUARANTEE AND OTHER DEPOSITS						
INTERFUND ACCOUNTS (CONTRA)						
DEFERRED CHARGES:						
Materials and supplies	2,221,659		1,234,692	986,967		
Other deferred charges	<u>12,263,899</u>		<u>3,799,431</u>	<u>8,464,468</u>		<u>8,395,123</u>
	<u>14,485,558</u>		<u>5,034,123</u>	<u>9,451,435</u>	<u>1,066,312</u>	<u>8,385,123</u>
	<u>\$912,905,356</u>		<u>\$253,125,925</u>	<u>\$659,779,431</u>	<u>\$52,939,400</u>	<u>\$189,877,379</u>

CITY AND COUNTY OF SAN FRANCISCO AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINED PROPRIETARY BALANCE SHEET

EXHIBIT A

JUNE 30, 1956

		General City and County			Trust and Assessment Funds	
		Total	Public Service Enterprises	Current Funds	Capital Funds	Assessment Funds
<u>BONDED DEBT:</u>						
Matured	\$ 27,200	\$ 27,200	\$ 24,200	\$ 3,000		
Unmatured (Exhibit G)	177,079,000	177,079,000	85,986,000	200,000	\$ 90,913,000	
	177,106,200	177,106,200	85,990,200	203,000	90,913,000	
<u>BOND INTEREST:</u>						
Matured	61,798	61,798	52,295	9,503		
Accrued, not due	1,725,624	1,725,624	1,150,813	574,811		
	1,787,422	1,787,422	1,203,108	584,314		
<u>ACCOUNTS PAYABLE:</u>						
Accounts and contracts payable	23,129,581	23,129,581	4,664,249	9,673,109	8,321,891	\$ 168,332
Outstanding warrants and payroll deductions	3,794,536	3,794,536	493,874	1,731,233	73,062	1,496,347
Other accruals and deposits	253,019	253,019	258,019			
	27,182,136	27,182,136	5,416,142	11,406,362	8,324,953	1,964,679
	4,312,534	4,312,534	2,027,315	986,362	1,070,000	228,657
<u>INTERFUND ACCOUNTS (CONTRA.)</u>						
<u>RESERVES:</u>						
Reserve for accidents	2,595,595	2,595,595	2,595,595			
Other reserves	977,559	977,559	805,323	44,761		127,475
	3,573,154	3,573,154	3,400,918	44,761		127,475
<u>DEFERRED CREDITS:</u>						
Personal property taxes for year 1955-57	5,172,365	5,172,365		5,172,365		
Other deferred credits	2,115,493	2,115,493	536,600	1,578,593		
	7,287,858	7,287,858	536,600	6,750,958		
	187,256,368	187,256,368				137,756,368
<u>TRUST AND ASSESSMENT FUND BALANCES</u>						
<u>SURPLUS:</u>						
Public Service Enterprises	154,551,642	154,551,642		32,403,843		
General city - current	34,765,693	34,765,693				
General city - Capital (not available for meeting general city current expense)	316,834,091	316,834,091				
	506,151,426	506,151,426				
	506,151,426	506,151,426				
	137,756,368	137,756,368				

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET

JUNE 30, 1956

ASSETS		San Francisco		Public	
Total		Airport		Utilities	
		Project		Commission	

**CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
PROPRIETARY BALANCE SHEET
JUNE 30, 1956**

EXHIBIT B

	Total JUNE 30, 1956	Warrants Issued After JUNE 30, 1956	Total Advances	Water Department	Municipal Railway	Betch Betchy Freight	San Francisco Airport	Public Utilities Commission
FIXED ASSETS:								
Unmatured	\$ 85,966,000		\$ 85,966,000	\$15,000,000	\$12,269,200	\$ 47,571,000	\$11,126,000	
Matured and unpaid	24,200		24,200	15,000	200	9,000		
	<u>85,990,200</u>		<u>85,990,200</u>	<u>15,015,000</u>	<u>12,269,200</u>	<u>47,580,000</u>	<u>11,126,000</u>	
BOND INTEREST:								
Accrued, not due	1,150,813		1,150,813	337,500	86,342	690,176	36,795	
Matured and unpaid	58,295		58,295	17,020	1,686	41,138	2,311	
	<u>1,209,108</u>		<u>1,209,108</u>	<u>354,520</u>	<u>87,928</u>	<u>731,314</u>	<u>39,106</u>	
ACCOUNTS PAYABLE:								
Accounts and contracts payable	4,660,249	\$1,156,119	3,504,130	1,742,338	394,756	1,139,741	214,268	\$ 8,767
Outstanding warrants and payroll deductions	493,674	(1,394,462)	1,848,455	287,274	931,444	221,067	85,011	321,659
Accruals due United States Government	33,579		33,579		3,765			
Accounts receivable	220,704		220,704	320,676	3,704			
Consumers' deposits and advances	<u>5,415,142</u>	<u>(198,462)</u>	<u>5,614,604</u>	<u>2,295,288</u>	<u>1,359,513</u>	<u>1,360,808</u>	<u>299,279</u>	<u>332,446</u>
INTERFUND ACCOUNTS:								
Due to General City	1,612,333		1,612,333	72,288	197,520	275,414	562,618	594,493
Due to Public Service Enterprises (contra)	<u>214,582</u>	<u>198,462</u>	<u>216,520</u>	<u>60,664</u>	<u>70,132</u>	<u>15,613</u>	<u>46,720</u>	<u>3,629</u>
	<u>2,027,115</u>	<u>198,462</u>	<u>1,828,653</u>	<u>132,952</u>	<u>267,652</u>	<u>291,027</u>	<u>609,338</u>	<u>598,122</u>
DEFERRED CREDITS:								
RESERVE:								
Reserve for accidents	2,595,595		2,595,595	631,509				3,521
Other reserves	<u>205,421</u>		<u>205,421</u>	<u>631,509</u>	<u>2,789,596</u>	<u>27,302</u>		<u>3,521</u>
	<u>2,801,016</u>		<u>2,801,016</u>	<u>1,263,018</u>	<u>2,789,596</u>	<u>27,302</u>		<u>3,521</u>
TOTAL LIABILITIES								
(Exhibit D)	154,251,042		154,251,042	60,421,969	16,737,197	49,990,451	12,325,449	4,120,697
	<u>423,179,457</u>		<u>423,179,457</u>	<u>120,843,938</u>	<u>421,586,796</u>	<u>\$104,698,032</u>	<u>\$44,156,471</u>	<u>\$3,800,000</u>

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)

EXHIBIT C
(CONTINUED)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	<u>Year Ended</u>	
	<u>June 30, 1956</u>	<u>June 30, 1955</u>
<u>REVENUES:</u>		
Property taxes, penalties, interest and costs	\$ 89,361,418	\$ 84,448,841
State and Federal subventions	45,060,043	43,275,125
Departmental service charges, etc.	8,278,907	7,757,720
Retail purchase and use tax	5,603,569	5,124,681
Fines, forfeitures, and penalties other than from property taxes	2,859,703	2,637,894
Franchise taxes	1,263,085	1,174,220
Licenses	665,078	636,810
Bank interest	518,865	507,011
Rentals from non-operating school property	356,767	356,863
Housing authority in lieu of taxes	143,779	190,569
Other	88,143	86,891
Transfer from capital accounts	608,416	17,427
Transfer from trust accounts		1,274
Profit on sale of land and improvements		51,144
Capital additions through donations		20,000
Total revenues	<u>\$154,807,773</u>	<u>\$146,286,470</u>
<u>EXPENDITURES:</u>		
Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government	10,250,985	9,909,585
Public safety	22,057,205	22,004,765
Highways	3,450,138	3,287,857
Sanitation	3,486,355	3,324,461
Health conservation	2,918,451	2,806,125
Hospitals	7,858,224	7,738,386
Public welfare	23,470,816	22,450,499
Corrections	2,184,814	2,106,164
Schools	33,965,430	32,027,730
Libraries	1,168,106	1,105,315
Recreation	5,824,208	5,580,062
Civil defense	185,934	186,730
Bond interest	1,669,775	1,594,498
Miscellaneous	162,653	190,675
Total departmental operating expenses	<u>\$118,653,094</u>	<u>\$114,312,853</u>
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenues	5,500,062	5,237,613
Bond redemptions	6,888,000	6,694,000
Others	10,582	219,986
Forward	<u>\$131,051,738</u>	<u>\$126,464,452</u>

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)

EXHIBIT C
(CONCLUDED)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	<u>Year Ended</u>	
	<u>June 30, 1956</u>	<u>June 30, 1955</u>
<u>EXPENDITURES (Continued):</u>		
Amounts forwarded	\$131,051,738	\$126,464,452
Other expenditures (continued):		
Pension costs, Employees' Retirement System	15,325,584	13,761,938
Assessments, Joint Highway Districts No. 9 and No. 10	132,000	336,113
Contribution, Butano Forest purchase	(100,000)	100,000
Contributions to Public Service Enterprises:		
San Francisco International Airport	795,774	1,890,856
Municipal Railway	3,098,178	2,932,848
Public Utilities Commission - heat, light and power bureau	210,319	145,615
Loss on sale of fireboats		254,174
Miscellaneous	<u>53,572</u>	<u>(1,375,246)</u>
Total expenditures	<u>150,567,165</u>	<u>144,510,750</u>
<u>NET INCREASE IN CURRENT SURPLUS</u>	<u>\$ 4,240,608</u>	<u>\$ 1,775,720</u>

CURRENT SURPLUS:

Current surplus as shown at beginning of year, per Controller's report	\$ 28,419,317	\$ 26,772,545
Add: Auditor's adjustment - preceding year	<u>303,718</u>	<u>174,770</u>
Current surplus at beginning of fiscal year after auditor's adjustment	28,723,035	26,947,315
Net increase in current surplus as shown above	<u>4,240,608</u>	<u>1,775,720</u>
<u>CURRENT SURPLUS, END OF FISCAL YEAR</u>	<u>\$ 32,963,643</u>	<u>\$ 28,723,035</u>

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT D

PUBLIC SERVICE ENTERPRISES
STATEMENT OF REVENUES, EXPENSES, AND SURPLUS

JUNE 30, 1956

REVENUES AND EXPENSES

OPERATING REVENUES

OPERATING EXPENSES

Operating income or (loss)

OTHER REVENUES:

Interest earned

Rentals

Other

OTHER EXPENSES:

Bond interest

Other

NET INCOME OR (LOSS)

SURPLUS

Balance, June 30, 1955

Adjustments, 1954-55

Adjusted balance, June 30, 1955

Net income or (loss) as above

Contributions from General City

Contributions from Public Service Enterprises

Contributions from other sources

Other additions

Less:

Contributions to Public Service Enterprises

Other deductions

BALANCE, JUNE 30, 1956

REVENUES AND EXPENSES

Total	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
\$ 46,083,049	\$13,040,335	\$20,456,021	\$ 8,547,503	\$ 2,585,220	\$1,445,970
40,109,567	9,308,632	21,928,369	4,964,506	2,431,087	1,445,970
5,973,482	3,738,700	(1,502,348)	3,582,997	154,133	-0-
46,100	18,457	27,643			
310,772	282,226	64,920	28,546	114,560	
270,129	78,940	92,563	11,709	114,560	
627,001	379,623		40,255		
2,686,535	830,325	227,699	1,451,714	168,797	
177,888	71,003	17,711	89,174	257,971	
2,864,423	909,328	245,410	1,451,714	10,722	-0-
\$ 3,736,060	\$ 3,208,995	\$ (1,655,195)	\$ 2,171,538	\$ 10,722	
\$146,121,967	\$58,139,510	\$ 3,802,776	\$50,902,407	\$ 30,995,311	\$2,281,963
(142,016)				3,600	(145,616)
145,979,951	58,130,510	3,802,776	50,902,407	30,998,911	2,136,347
3,736,060	3,208,995	(1,655,195)	2,171,538	10,722	210,319
4,104,271		3,098,178	926,536	795,774	
926,536			700,000	227,260	
927,260			7,100		
7,100					
155,681,176	61,348,505	5,245,759	54,707,561	32,032,667	2,346,666
926,536	926,536				
203,000				1,922	201,071
1,129,536	926,536			1,922	201,071
\$154,551,642	\$50,421,969	\$ 5,245,759	\$54,707,561	\$ 32,030,738	\$2,145,595

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

CAPITAL SURPLUS

YEAR ENDED JUNE 30, 1956

CURRENT YEAR INCREASE:

Transfers:

From current accounts:

Bond redemptions

\$ 6,888,000

Capital additions from revenues

5,500,062

Adjustment of capital additions, prior years

159,679

Other

10,582

\$ 12,558,323

From trust accounts:

Capital additions:

State Highway Trust

60,080

Employees' Retirement System

448

60,528

To current accounts

(608,416)

Net transfers

12,010,435

OTHER ADDITIONS:

Profit on sale of capital assets -

general city departments

24,771

Parking lot rentals - 1947 off-street parking bonds

18,596

Total other additions

43,367

Total current year increase

12,053,802

PRIOR YEAR'S BALANCE

304,654,780

Deduct: San Francisco Unified School District

and Child Care Center equipment and

other disposals

123,883

304,530,897

CAPITAL SURPLUS - JUNE 30, 1956\$316,584,699

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FIXED ASSETS

JUNE 30, 1956

GENERAL CITY AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT:

	Total	Land	Structures and Improvements		Equipment
Current Year's Additions - Net:	\$	\$	\$	\$	\$
General Government:					
Civic Center, including City Hall	(295,778)	(434,433)	13,707	124,948	
Public Safety:					
Fire Department	1,634,348	154,124	1,270,137	210,087	
Police Department	(54,244)	(171,405)	(9,594)	126,755	
Department of Electricity	11,033		8,308	2,125	
Highways:					
Streets, tunnels, bridges, etc.	3,945,452	1,288,296	2,596,444	60,712	
Asphalt plant	38,837		35,837		
Off-Street parking	29,464	27,955	1,509		
Sanitation:					
Sewers and sewage disposal plants	1,124,693	(1,975)	1,112,843	13,825	
Street Cleaning Department	7,241			7,241	
Health Conservation:					
Hassler Health Home	24,069		14,471	9,598	
Civic Center Health Building	13,476	(112)		13,476	
Excelsior Health Center	(112)				
Other	(147,457)	(143,650)	(3,807)		
Hospitals:					
San Francisco Hospital	280,951		213,051	67,900	
Emergency Hospitals	7,768			7,768	
Public Welfare:					
Laguna Honda Home	489,837		463,333	26,504	
Welfare Department	40,498		30,778	9,720	
Corrections:					
Youth Guidance Center	12,394		1,467	10,927	
Juvenile Log Cabin Ranch	4,274		3,548	726	
Schools	4,784,539	215,976	3,907,778	660,765	
Libraries	100,788	35,533	56,594	8,261	
Recreation:					
Playgrounds and swimming pools	1,257,426	(72,984)	1,286,519	43,891	
Museums, art galleries, etc.	70,268		65,897	4,461	
War Memorial and Opera House	14,420		14,424	4,256	
Parks and squares	303,714	94,179	176,945	32,590	
Auditorium	83,562		65,001	18,561	
Kezar Stadium	54,048		54,048		
Other:					
Central warehouse and corporation yard	108,247	104,500	3,747	448	
Retirement system	448				
Miscellaneous	(30,570)	(113,002)	30,662	51,170	
Prior Years' Additions	13,913,634	983,002	11,417,297	1,513,335	
Total General City	374,933,362	60,233,031	286,801,522	27,795,796	
	\$388,746,996	\$ 61,219,039	\$298,218,826	\$29,309,131	

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNITED SCHOOL DISTRICT

SUMMARY OF FIXED ASSETS

JUNE 30, 1956

Total General City

PUBLIC SERVICE ENTERPRISES:

Current Year's Additions - Net:

Water Department

Municipal Railway

Hetch Hetchy Project

San Francisco Airport

Public Utilities Commission

Prior Years' Additions

Total Public Service Enterprises

TOTAL FIXED ASSETS, CITY AND COUNTY OF SAN FRANCISCO

Total

\$388,746,996

2,175,739

(1,626,039)

4,365,775

914,737

80,086

5,910,298

324,603,357

330,513,655

\$719,260,691

CITY AND COUNTY OF SAN FRANCISCOEXHIBIT GAND(CONTINUED)SAN FRANCISCO UNIFIED SCHOOL DISTRICTBONDED INDEBTEDNESSJUNE 30, 1956GENERAL CITY:

Schools:

March 1, 1923, 5%		\$ 3,300,000	
1948:			
Series A - March 1, 1949, 1 1/4% and 1 1/2%	4,400,000		
Series B - April 1, 1951, 1 3/4%	7,697,000		
Series C - March 1, 1952, 1 1/2%	7,840,000		
Series D - December 1, 1952, 1 3/4%	9,250,000		
Series E - August 1, 1953, 2 1/2% and 4%	4,160,000		
Series F - March 1, 1954, 1% to 1 3/4%	2,600,000		
Series G - April 1, 1955, 1 3/4% and 6%	<u>3,900,000</u>		\$ 43,147,000

Juvenile Court and Detention Home:

Series A - August 1, 1948, 1 3/4%	651,000		
Series B - November 1, 1949, 1% to 1 1/2%	<u>576,000</u>		1,227,000

Boulevards and Roads:

Boulevards and Roads, February 1, 1931, 4 1/2%	144,000		
Street Improvement 1947:			
Series A - February 1, 1948, 2%	600,000		
Series B - August 1, 1949, 1 1/4% and 1 1/2%	1,251,000		
Series C - November 1, 1949, 1% to 1 1/2%	3,510,000		
Series D - September 1, 1950, 1 1/4% and 1 1/2%	580,000		
Series E - March 1, 1952, 1 1/4% and 1 1/2%	2,050,000		
Series F - December 1, 1952, 1 3/4%	925,000		
Series G - March 1, 1954, 1% and 1 1/4%	800,000		
Series H - January 1, 1956, 2% to 6%	<u>1,250,000</u>		11,110,000

Sewers:

December 1, 1933, 4%	625,000		
1944:			
Series B - February 1, 1948, 2% and 2 1/2%	3,731,000		
Sewage Treatment 1948:			
Series A - August 1, 1949, 1 1/4% and 1 1/2%	4,731,000		
Series B - November 1, 1949, 1% to 1 1/2%	1,881,000		
Series C - March 1, 1952, 1 1/4% and 1 1/2%	1,700,000		
Series D - March 1, 1954, 1% and 1 1/4%	800,000		
Series E - January 1, 1956, 2% to 6%	1,000,000		
1954:			
Series A - January 1, 1956, 2% to 6%	<u>2,500,000</u>		16,968,000

SAN FRANCISCO UNIFIED SCHOOL DISTRICTBONDED INDEBTEDNESSJUNE 30, 1956

Parks and Playgrounds:

Parks and Squares, February 1, 1931, 4 1/2%	\$ 224,000	
Playgrounds, February 1, 1931, 4 1/2%	32,000	
Recreation 1947:		
Series A - August 1, 1948, 1 3/4%	837,000	
Series B - November 1, 1949, 1% to 1 1/2%	801,000	
Series C - September 1, 1950, 1 1/4% and 1 1/2%	1,532,000	
Series D - August, 1953, 2 1/2% and 4%	2,160,000	
Series E - April 1, 1955, 1 3/4% and 5 1/4%	1,070,000	
Series F - January 1, 1956, 2% to 6%	<u>1,500,000</u>	\$ 8,156,000

Off-Street Parking:

1947:		
Series A - March 1, 1952, 1 1/4% and 1 1/2%	750,000	
Series B - January 1, 1956, 2% to 6%	<u>2,000,000</u>	2,750,000

Hospitals:

San Francisco Hospital, 1954:		
Series A - January 1, 1956, 2% to 6%	1,500,000	
Laguna Honda Home and Hospital, 1954:		
Series A - January 1, 1956, 2% to 6%	<u>2,500,000</u>	4,000,000

Fire Protection:

Firehouse 1952:		
Series A - April 1, 1955, 1 3/4% and 6%	1,755,000	
Series B - January 1, 1956, 2% to 6%	<u>1,000,000</u>	2,755,000

City Hall and Civic Center:

July 1, 1912, 5%		<u>1,000,000</u>
------------------	--	------------------

Total General City		91,113,000
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PUBLIC SERVICE ENTERPRISES:

San Francisco Water Department	15,000,000	
Hetch Hetchy Water Supply and Power Project	47,571,000	
Municipal Railway of San Francisco	12,269,000	
San Francisco International Airport	<u>11,126,000</u>	
Total Public Service Enterprises		<u>85,966,000</u>
Total Bonded Indebtedness		<u>\$177,079,000</u>

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE
OF THE CONTROLLER, FOR THE YEAR ENDED JUNE 30, 1956

NOTE A - Authorized but unissued bonds:

The following is a summary of unissued bonds as at June 30, 1956:

1947	Street Improvement	\$	5,700,000
1947	Recreation		1,170,000
1947	Off-Street Parking		2,000,000
1948	Sewage Treatment		450,000
1948	School		990,000
1952	Firehouse		1,950,000
1954	Sewer		10,145,000
1954	Exhibit Hall		3,275,000
1954	Recreation Center		5,000,000
1954	San Francisco Hospital		4,330,000
1954	Laguna Honda Home and Hospital		2,975,000
1955	Hetch Hetchy Power		54,000,000
1955	Playground and Recreation Centers		7,000,000
1956	Hall of Justice		<u>19,475,000</u>
	Total		<u>\$118,460,000</u>

NOTE B - Unallocated tax appropriations, Employees' Retirement Fund:

For the year ended June 30, 1956 taxes apportioned and other amounts advanced to the Employees' Retirement System for pension costs have exceeded actual costs by \$190,923, as follows:

Excess (net) to June 30, 1955		\$169,380
Deduct: Amount returned to General City during 1955-1956		<u>(169,380)</u>
Balance		-0-
Add: Amount apportioned or advanced to Employees' Retirement System for the current year	\$10,877,771	
Less: Charges for current and prior service and other costs	<u>10,686,848</u>	<u>190,923</u>
Excess - June 30, 1956		<u>\$190,923</u>

In compliance with provisions of Section 80 of the Charter this balance will be transferred back to the General Fund.

NOTE C - Fixed capital properties:

The amount of \$719,260,651 does not purport to represent the cost of properties and equipment presently owned by the City and County. The principal reasons are as follows:

1. A substantial but undetermined portion of expenditures on inter-departmental work orders in progress at the end of the fiscal year (\$1,767,680 at June 30, 1956 and \$2,171,666 at June 30, 1955) is applicable to land, structures or equipment, but such expenditures are not charged to fixed assets until each of the several jobs is completed.
2. An equity of approximately \$696,300 has been acquired in parking meters (including \$15,500 during the year under review) which, together with the balance of \$3,600 owing at June 30, 1956 on meters installed to that date, has not been taken up in the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.
3. Construction contracts in progress, amounting to \$8,321,891 at June 30, 1956 are included under the deferred charge caption on the foregoing balance sheet.
4. Certain of the properties are recorded at appraised values.
5. Equipment disposals, other than those by the San Francisco Unified School District, are not recorded in the accounts.

NOTE D - Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District as at June 30, 1956 aggregating approximately \$25,000,000 and \$100,000

respectively; also there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$25,000,000 against the City and County, were claims aggregating approximately \$18,000,000 against the Municipal Railway for which the Railway has provided a reserve of \$2,596,000. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's report for Water Department and Hetch Hetchy Water Supply and Power Project refer to water adjustment claims of \$307,212 which have been fully reserved, contingent liabilities for various property damage, personal injury and water rate suits indeterminate in amount.

The Retirement Board has estimated the reserve requirements at June 30, 1956 for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,350,000. The applicable share has been reserved and included in the statements for all Public Service Enterprises, (excepting the San Francisco International Airport), however no provision has been made by any other department of the municipality. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is also the practice of the municipality to have an actuarial estimate made once every six years of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1956 show:

1. Net income of \$1,293,559 after provision for bond interest and after a charge of \$682,000 for equipment and betterments.
2. Bonds outstanding at June 30, 1956 amounted to \$28,800,000. These mature as follows:

<u>Year</u>	<u>Amount</u>
1956	\$ 800,000
1957-1961	6,000,000
1962-1966	8,000,000
1967-1971	<u>14,000,000</u>
Total	<u>\$28,800,000</u>

3. A sinking fund for retirement of bonded debt amounting to \$6,624,226 at June 30, 1956.
4. That the District will be liable in the sum of \$5,000,000 to the State of California in connection with the new Marin County approach, payable after the present bonded indebtedness of the District shall have been paid.

NOTE E - Accounts and contracts payable:

Accounts and contracts payable at June 30, 1956 consisted of liabilities for which services and materials had been received and estimated liabilities for which services and materials had not been received which have been charged to expense or deferred, as follows:

	<u>Total Liabilities</u>	<u>Estimated Liabilities</u>		
		<u>Total</u>	<u>Charged to Expense</u>	<u>Deferred Charge</u>
General City	\$18,465,332	\$12,384,987	\$4,063,096	\$ 8,321,891
Public Service Enterprises	<u>4,664,249</u>	<u>2,890,872</u>	<u> </u>	<u>2,890,872</u>
Total	<u>\$23,129,581</u>	<u>\$15,275,859</u>	<u>\$4,063,096</u>	<u>\$11,212,763</u>

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO
AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THEREON
JUNE 30, 1956

Cash	Receivables	Other Resources	Investments	Interfund Accounts	Total
\$ 34,900,118	\$ 9,760,170	\$ 1,125,478		\$13,857,065	\$ 59,722,831
19,757,471	800	64,460,000		487,421	84,705,692
4,628,487	1,327,949		\$177,053,225	743,292	183,752,953
2,695,620	340				2,695,960
12,344				10,980	12,344
<u>1,482,498</u>				<u>1,493,478</u>	
63,556,538	11,089,259	65,585,478	177,053,225	15,098,758	332,383,258
50,250					50,250
	149,513				149,513
			370	28,403	28,403
				190,923	190,923
<u>5,999,795</u>				<u>5,999,795</u>	
<u>69,606,283</u>	<u>11,238,772</u>	<u>65,585,478</u>	<u>177,053,595</u>	<u>15,318,084</u>	<u>338,802,512</u>
4,346,105	372,904	54,000,000		189,200	58,908,209
6,647,809	1,032,573			1,722,686	9,403,068
2,898,181	58,593			50,067	3,000,841
1,424,842	566,294	89,414		3,749	2,094,299
<u>280,012</u>	<u>8,036</u>			<u>522,039</u>	<u>880,087</u>
15,596,949	2,032,400	54,089,414		2,557,741	74,276,504
52,650					52,650
	(2,594)				(2,594)
	(211,566)				(211,566)
	(198,462)			198,462	
1,354,582					1,354,582
<u>17,004,181</u>	<u>1,619,778</u>	<u>54,089,414</u>		<u>2,756,203</u>	<u>75,469,576</u>
<u>\$ 86,610,764</u>	<u>\$12,858,550</u>	<u>\$119,674,892</u>	<u>\$177,053,595</u>	<u>\$18,074,287</u>	<u>\$414,272,088</u>

GENERAL CITY AND COUNTY FUNDS:

Current
Capital
Public trusts
Private trusts
Assessment and redemption
Agency

To record:
Revolving funds
School department tuition
Additional liabilities
Excess retirement contribution - net
Additional investments
Unused tax apportionment - Retirement
To reclassify:
Warrants recorded in June, issued in July

PUBLIC SERVICE ENTERPRISE FUNDS:

Hetch Hetchy
Water Department
Municipal Railway
Airport
Public Utilities Commission

To record:
Revolving funds
Additional compensation insurance
Miscellaneous audit adjustments
Write-off of Airport disputed receivable in accordance with U. S. District Court decision
Additional accounts in dispute - Airport
To reclassify:
Hetch Hetchy receivable from Public Utilities Commission
Warrants recorded in June, issued in July
For statement purposes - Reserve - Airport (Receivables in litigation)
Advance rental and other miscellaneous receipts, unamortized bond premium, deposits, etc.

TOTAL CITY AND COUNTY OF SAN FRANCISCO

<u>Total</u>	<u>Encumbrances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Reserves</u>	<u>Cash Reserves</u>	<u>Trust and Assessment</u>	<u>Unencumbered Appropriations</u>	<u>Unexpended Balances</u>
\$ 59,722,831	\$ 4,030,327	\$10,514,106	\$6,631,968	\$3,194,083	\$8,450,903		\$18,040,487	\$ 7,280,213
84,705,692	8,321,891	3,429,701					43,674,906	1,079,136
183,752,953	24,009	32,239				\$183,696,705		
2,695,960	879					2,695,031		
12,344						12,344		
<u>1,493,478</u>	<u>7,881</u>	<u>27,022</u>				<u>1,498,572</u>		
332,383,258	12,384,987	14,003,070	6,631,968	3,194,083	8,450,903	187,862,705	52,016,799	11,200,453
50,250								12,000
149,513								187,418
	81,295							
28,403		27,757				(17,046)	(64,982)	
370						(27,041)	27,037	
190,923		190,923				370		
						(100,923)		
<u>5,999,795</u>	<u>5,999,050</u>						<u>772</u>	
338,802,512	18,465,332	14,221,750	6,631,963	3,194,083	8,450,903	187,688,063	61,280,276	28,233,332
58,908,209	765,048	861,099		1,286,434			1,871,444	14,111,000
9,403,008	2,004,010	1,344,653		1,437,318		3,857,429	38,463	1,000,000
3,000,841	538,920	305,650				90,714	1,100,000	
2,004,299	186,404	634,220				300,702	441,000	
880,087	8,787	507,806		515,041			100	
74,276,504	3,503,769	3,653,428		3,246,829			7,350,667	26,325,000
52,650								100,000
(2,594)	4,361	646		(2,604)			(100)	
(211,566)				(211,566)			(1,072)	
				6,548			16,548	
1,354,580	1,156,119	198,463	213,360	(213,360)				1,000,000
			46,285					1,000,000
<u>75,469,576</u>	<u>4,664,249</u>	<u>3,852,537</u>	<u>299,642</u>	<u>2,825,767</u>			<u>1,353,382</u>	<u>1,000,000</u>
\$414,272,088	\$23,129,581	\$18,074,287	\$6,891,613	\$6,019,850	\$8,450,903	\$187,688,065	\$69,354,318	\$28,233,332

EXHIBIT I

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS

JUNE 30, 1956

<u>Cash</u>	<u>Receivables</u>	<u>Other Resources</u>	<u>Interfund Accounts</u>	<u>Total</u>	
\$ 3,941,789	\$2,830,052		\$1,664,237	\$ 1,664,237	General Fund, 1956-57
253,635	300		4,920,615	11,692,456	General Fund, 1955-56
962,343	657			253,935	General Fund, Prior Years
174,823	6,414		53,986	1,016,986	Recreation and Park
92,589	563			181,237	Library
118,820				93,152	War Memorial
76,952			1,040	118,820	California Palace of the Legion of Honor
103,174				77,992	de Young Museum
59,739				103,174	Publicity and Advertising
3,964,105	214,236		232,053	59,739	Special Election
4,150,943	780,267	\$1,125,478	3,362	4,410,394	Special Road Improvement
202,323	34,340			6,060,050	San Francisco Unified School District
116,697	5,265			236,663	School Cafeteria
10,115,634	1,508,682		80,016	121,962	Child Care Center - State
	272,477			11,704,332	Special Gas Tax Street Improvement
786,884	247,618		550,000	272,477	Employees' Retirement - Current
3,832,112	1,872,682		5,755,514	1,584,502	Bond Interest and Redemption
901,407			596,242	11,460,308	Cash Reserve
24,255				1,497,649	Emergency Reserve
319,843	1,279,644			24,255	Embarcadero Widening
	266,666			1,599,487	Capital Improvement
	440,307			266,666	Alcoholic Beverage License Subsidy
(167,930)				440,307	Tuberculosis Aid Subsidy
(171,332)				(167,930)	Auditorium
(103,236)				(171,332)	Firemen's Relief & Pension
				(103,236)	Police Relief & Pension
941					Unapportioned Funds:
153				941	Tax Collector's Taxes
51,091				153	Redemption of Property
5,172,364				51,091	Delinquent Tax Installments
				5,172,364	Assessor's Personal Property Taxes
<u>\$34,980,118</u>	<u>\$9,760,170</u>	<u>\$1,125,478</u>	<u>\$13,857,065</u>	<u>\$59,722,831</u>	

<u>Total</u>	<u>Encumbrances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Cash Reserves</u>	<u>Reserves</u>	<u>Unencumbered Appropriations</u>	<u>Unappropriated</u>
1,664,237							
1,692,456	\$2,378,253	\$ 3,882,037	\$1,357,231		\$1,012,636	\$ 3,062,249	\$1,694,237
253,935	46,510	56,836	3,000		13	147,576	
1,016,966	80,236	250,011	47,188		657	638,894	
181,237	32,972	80,881			6,415	60,969	
93,152	10,787	21,963			563	59,339	
118,820	85,653	26,301				6,366	
77,992	4,878	64,317				8,797	
103,174	95,868	7,306					
59,739						47,840	11,899
4,410,394	107,046	339,463				2,462,864	1,947,530
5,060,050	1,078,057	775,629			441,375	2,102,424	1,962,565
236,663	31	95				5,000	231,663
121,962	28,360	9,047			1,121	5,013	116,949
1,704,332	81,676	554,485				8,810,819	2,297,338
272,477		109,352					
584,502		1,300,000			163,125		
460,308		1,686,374		\$8,450,903	245,097		39,405
497,649					1,323,031		
24,255						1,497,649	
599,487		643,038				24,255	
266,666		266,666				53	96,396
440,307		440,307					
(167,930)							(167,930)
(171,332)							(171,332)
(103,236)							(103,236)
941			941				
153			153				
51,091			51,091				
172,264			172,264				
<u>722,831</u>	<u>\$4,030,327</u>	<u>\$10,514,108</u>	<u>\$6,631,968</u>	<u>\$8,450,903</u>	<u>\$3,194,083</u>	<u>\$13,941,107</u>	<u>\$7,960,315</u>

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

MONTHLY FUND BALANCE SHEET - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30, 1956

EXHIBIT K

Cash	Receivables	Investments	Interfund Accounts	Total	Employees' Retirement System Receivables	Interfund Accounts	Total	Encumbrances	Interfund Accounts	Fund Balances
\$3,475,910	\$1,298,962	\$176,701,454	\$743,292	\$186,219,618	\$186,219,618	\$743,292	\$186,219,618	\$1,815	\$5,787	\$182,212,016
3,000				3,000	Beardalee		3,000			3,000
2,447				2,447	Beardalee		2,447			2,447
1,240				1,334	Brunetti		1,334			1,334
211	94			211	Fallon		211			211
5,835		50,290		56,125	Fallon - Jeldt		56,125			56,125
82,565	996	119,671		123,563	Fuhrman - Library		123,563	35	250	123,563
				82,565	Fuhrman - Park		82,565	538	5,000	82,565
3,535	116	8,379		12,030	Herstein		12,030			12,030
1,736		2,000		3,736	Lewis		3,736			3,736
2,778				2,778	McLean		2,778			2,778
2,653	45	2,073		9,856	Merx		9,856	7,138		9,856
5,285		5,000		7,858	McLean		7,858			7,858
7,773	22	979		1,774	McLean		1,774	150		1,774
14,243	417	40,000		17,774	Olsen		17,774			17,774
6,587				14,243	Sharp		14,243			14,243
904				6,587	Seide		6,587			6,587
10,176		5,000		15,176	Steinberg		15,176			15,176
12,786	104	100,000		21,890	Steinbrum		21,890	3,596		21,890
127	10	5,000		5,137	Strybing		5,137			5,137
342				16,203	Sutro		16,203			16,203
16,203				402,070	Wilbert		402,070			402,070
402,070				2,028	Winkel Museum Art Trust		2,028			2,028
3,796				2,028	Health Service		2,028		1,652	4,680
2,125				3,796	Infantile Paralysis		3,796			3,796
1,499				2,125	Laguna Honda Workshop		2,125			2,125
1,499				1,499	Laguna Honda Home - Gift Fund		1,499	75		1,499
1,125	110	15,585		1,125	Police Range		1,125			1,125
184				184	San Francisco Hospital - Children's Ward		184			184
110				110	Musicians' Club		110			110
348				348	Social Service		348			348
30				30	Therapeutic Book Fund		30			30
271,100				271,100	Tuberculosis Trust		271,100	10,712		281,812
124				124	Veterans' Education - School		124			124
27,162				27,162	Ford Foundation		27,162			27,162
51,703				51,703	Gracie Book		51,703			51,703
539				539	State Library		539			539
8,004				8,004	Board of Trustees - Legion of Honor		8,004			8,004
11,171				11,171	Community Redevelopment		11,171			11,171
11,171				11,171	Recreation and Park Gift Fund		11,171			11,171
11,171				11,171	Storyland Fund		11,171			11,171
11,171				11,171	Day After Air Pollution Control District		11,171			11,171

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30, 1956

Cash	Receiv- ables		Total	Encum- brances	Fund Balances
\$ 333		Absent Creditors	\$ 333		\$ 333
18,724		Absent Heirs	18,724		18,724
43,307		Adult Probation Officers' Deposit	43,307		43,307
		Adult Probation Officers'			
119		Clearing Account	119		119
20,751		Coroner's Unclaimed Money	20,751		20,751
2,000		County Clerk Bail	2,000		2,000
428,850		County Clerk Special	428,850		428,850
329		de Young Museum	329		329
22,014		Duplicate Taxes	22,014		22,014
1,602		Electrical Deposits	1,602		1,602
16,094		Jail Stores Deposits	16,094	\$ 12	16,082
18,126		Juvenile Court Deposits	18,126		18,126
		California Palace of the Legion			
2,421		of Honor	2,421		2,421
485		Library Card Deposits	485		485
41,650		Municipal Court Bail	41,650		41,650
148,132		Municipal Court Special	148,132		148,132
3,274		Police Department Deposits	3,274		3,274
33,098		Realty Deposits	33,098		33,098
		School Teachers' Sabbatical			
		Leave			
2,302			2,302		2,302
87,755		Sheriff's Trust	87,755		87,755
4,393		Sheriff's Inmate Welfare Fund	4,393	867	3,526
125		Special Badge	125		125
465		Street Improvement	465		465
		Street Improvement - Ordinance			
592		1934	592		592
10,148	\$331	Sunset Tunnel Assessment Refund	10,479		10,479
		Traffic Court Suspense			
18,779	9	Twin Peaks Tunnel Refund	18,788		18,788
60,696		War Bonds	60,696		60,696
803,542		Withholding Tax - General	803,542		803,542
		Withholding Tax - San Francisco			
385,691		Unified School District	385,691		385,691
		Withholding Tax - Municipal			
207,534		Railway	207,534		207,534
		F.I.C.A. Taxes - Municipal			
33,826		Railway	33,826		33,826
		F.I.C.A. Taxes - Redevelopment			
459		Agency	459		459
		F.I.C.A. Taxes - Parking			
135		Authority	135		135
		California Unemployment Insurance			
193		Taxes - Redevelopment Agency	193		193
167,068		Voluntary Payroll Deductions	167,068		167,068
		County Clerk Special - State			
110,608		Highway	110,608		110,608
\$2,695,620	\$340		\$2,695,960	\$879	\$2,695,081

CITY AND COUNTY OF SAN FRANCISCO

AND

EXHIBIT M

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS

JUNE 30, 1956

Cash	Interfund Accounts	Total	ASSESSMENT AND REDEMPTION FUNDS:	Total	Encum- brances	Inter- fund Accounts	Fund Balances
\$ 1,302		\$ 1,302	Circular Avenue Assessment	\$ 1,302			\$ 1,302
4,233		4,233	Circular Avenue Redemptions	4,233			4,233
938		938	City Lands Assessment	938			938
3,623		3,623	City Lands Redemption	3,623			3,623
142		142	Oakwood Street Assessments	142			142
64		64	Saturn Street Redemptions	64			64
462		462	Virginia Avenue Assessments	462			462
<u>1,580</u>		<u>1,580</u>	Virginia Avenue Redemptions	<u>1,580</u>			<u>1,580</u>
\$ 12,344		\$ 12,344					\$ 12,344
AGENCY FUNDS:							
\$ 694,341		\$ 694,341	State Inheritance Taxes	\$ 694,341			\$ 694,341
75		75	State Inheritance Taxes - refund	75			75
7,133		7,133	Lav Library	7,133			7,133
5,150		5,150	State Consumers Use Tax	5,150			5,150
497,848		497,848	State County Fair	497,848			497,848
10,578		10,578	State Fines and Forfeitures	10,578			10,578
915		915	State Sales Tax	915			915
11,715		11,715	State Teachers' Annuity Deposit	11,715			11,715
19,500		19,500	State Teachers' Retirement Permanent	19,500			19,500
37,698		37,698	Redevelopment Agency - Survey & Planning	47,763		\$ 9,695	38,100
10,065		10,065	Redevelopment Agency - Project Expenditures	197,761		11,367	186,394
<u>197,761</u>		<u>197,761</u>					
\$ 10,980	\$10,980	\$ 10,980		\$1,493,478	\$7,881	\$27,082	\$1,493,478
\$ 1,482,498		\$ 1,482,498					\$ 1,482,498

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

INDIVIDUAL FUND BALANCE SHEETS

JUNE 30, 1956

EXHIBIT N

Cash	Receivables	Other Resources	Interfund Accounts	Total	Water Supply:	Water Department:	Municipal Railway:	Airport:	Public Utilities Commission:	Unencumbered Appropriations	Unappropriated
\$ 823,604	\$ 372,904		\$ 189,200	\$ 1,385,708	Operating	Operating	Operating	Operating	Operating	\$ 709,168	\$ 313,621
1,283,750				1,283,750	Bond Interest and Redemption	Bond Interest and Redemption	1947 Municipal Railway Rehabilitation	Special Aviation			
1,549,164				1,549,164	1947 Water Bonds	1947 Water Bonds		1945 Airport Bonds			84,534
1,517,159				1,517,159	1949 City and County General Fund Bonds	1949 City and County General Fund Bonds		1949 Airport Bonds			51,719
247,222		\$24,000,000		247,222	1955 Detra Hatchery Tower	1955 Detra Hatchery Tower		Federal Airport Project			23,750,000
3,365,252	772,924	24,000,000	189,200	28,293,226						1,286,134	24,115,340
5,301,391	1,032,573		1,722,686	8,056,652		Water Department:					
1,337,400				1,337,400		Bond Interest and Redemption				3,819,018	789,653
8,216				8,216		Real Property				99,818	
6,647,809	1,032,573		1,722,686	9,403,068						1,337,200	
2,844,780	52,593		50,067	2,947,440						1,337,218	789,653
52,461				52,461						948,119	1,170,510
2,899,101	52,523		50,067	3,000,891						37,682	1,170,510
677,711	566,294		3,749	1,247,754						895,761	
21,843				21,843						7,580	113,383
227,076				227,076						515,041	21,843
313,212				313,212						105,869	102,813
186,000		89,414		275,414						194,744	186,472
1,424,384	566,294	89,414	3,749	2,084,292						512,620	399,314
280,012	8,036		592,032	880,087						634,230	441,552
\$15,526,949	\$2,012,400	\$4,089,414	\$2,537,711	\$24,276,504						357,806	133
										\$3,246,839	\$7,324,951
											\$26,517,621

EXHIBIT C

CITY AND COUNTY OF SAN FRANCISCO AND
SAN FRANCISCO UNITED SCHOOL DISTRICT
RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET

JUNE 30, 1996

ASSETS

	Total	Fixed Capital Assets	Cash	Accounts Receivables	Other Resources	Investments	Deposits	Intertund Accounts	Deferred Charges
PROPRIETARY BALANCE SHEET - EXHIBIT A	\$912,955,356	\$616,779,281	\$20,194,861	\$ 9,691,952		\$177,053,592	\$127,475	\$ 4,312,534	\$14,489,558
RECONCILIATION:									
Fixed capital assets	616,779,281	616,779,281							
Warrants and payroll deductions									
Outstanding	3,794,556		3,794,556						
Bonds matured	62,598		62,598						
Bonds matured - unpaid	27,200		27,200						
Reserves - securities deposits on leases	127,475						127,475		
Inventories and deferred charges	14,489,558								14,489,558
Audit adjustments	1,098		663	435					

Total

635,276,946	616,779,281	3,884,357	435			127,475		14,489,558
-------------	-------------	-----------	-----	--	--	---------	--	------------

ADD:

Accounts receivable reserves
Bonds unpaid (Statement Note A)
Intertund accounts

4,421,229			3,807,033	\$ 1,214,892				
118,460,000				118,460,000				
3,715,121								13,708,753

Total

757,463,296	\$ -0-	\$46,019,764	3,807,033	119,674,892				28,198,307
\$912,955,356	\$ -0-	\$46,019,764	\$12,498,986	\$119,674,892		\$177,053,592	\$ -0-	\$46,019,764

FUNDS BALANCE SHEET - EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT C

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET

JUNE 30, 1956

LIABILITIES AND SURPLUS

	Booked Debit	Bond Interest	Accounts Payable and Accruals	Interfund Accounts	Reserves	Deferred Credits	Trust and Agency Fund Balances	Surplus
PROPRIETARY BALANCE SHEET - EXHIBIT A	Total							
Fixed debt and interest maturing after July 1, 1956	\$212,251,356	\$174,106,200	\$1,187,422	\$27,182,136	\$4,312,534	\$187,156,468	\$50,092,984	
Fixed capital assets	636,779,281	174,279,000	698,109					
Bonds matured - unpaid	27,200							
Bond interest matured - unpaid	14,158	27,200	61,798					
Bond interest matured - accrued	127,475				127,475			
Bonds maturing on July 1, 1956		2,800,000	1,687,515		(621,250)			
Warrants and payroll deductions outstanding	3,794,536			3,794,536				
Inventories and other assets	14,465,556				991			
Other receivables					13,138			
Other reserves - Water Department					307,212			
Reserve for refunds - Water Department					463,982			
Reserve for Workmen's Compensation claims,					2,525,595			
Reserve for accident claims - Municipal Railway								
Accruals due to U. S. Government - Municipal Railway								
Accrued payrolls - Municipal Railway								
Unidentified deposits and advances								
Unidentified receipts - Public Service Enterprises								
Audit adjustments - Public Service Enterprises								
Current year's advances and prior year's receipts	1,098							
Reimbursement from San Francisco Housing Authority								
- not reserved								
Total	635,276,246	177,106,200	1,187,422	4,092,555	1,800	276,955	(1,800)	(446,265)
					908,243	325,245	453,025,681	(800,000)
AUDIT:								
Net work order, budget transfer, etc. adjustments								
Interfund accounts	13,761,753			13,761,753			71,697	(87,389)
Additional doubtful account reserve - Water Department								(61,217)
Unidentified deposits and advances	118,460,000							118,460,000
Bonds unpaid	4,421,925							2,214,892
Accounts receivable reserves	136,643,678							119,554,599
Total	\$414,272,088	\$ -0-	\$ -0-	\$27,182,136	3,353,632	\$6,019,890	\$187,689,666	\$178,258,692
FUNDS BALANCE SHEET - EXHIBIT B								
Cash reserves								\$ 8,490,903
Unencumbered appropriations								69,323,064
Unappropriated balance of funds								94,754,125
								\$178,258,692

San Francisco Water Department

AND

HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1956

SKINNER & HAMMOND

CERTIFIED PUBLIC ACCOUNTANTS

ONE ELEVEN SUTTER
SAN FRANCISCO 4

September 27, 1956

The Honorable Harry D. Ross, Controller,
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your instructions, and under the terms of an agreement with you dated February 10, 1956, we have examined the combining balance sheet of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco as of June 30, 1956, and the related combining statements of revenues and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary.

Our report, audit program, and working papers in connection with this examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

OPINION

In our opinion, the accompanying combining balance sheet and related combining statements of revenues and expenses and surplus present fairly the financial position of the Water Department and the Hetch Hetchy Water Supply and Power Project at June 30, 1956, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We attach the following:

<u>EXHIBIT A</u>	<u>COMBINING BALANCE SHEET</u>	<u>JUNE 30, 1956</u>
<u>EXHIBIT B</u>	<u>COMBINING STATEMENT OF REVENUES AND EXPENSES</u>	<u>YEAR ENDED JUNE 30, 1956</u>
<u>EXHIBIT C</u>	<u>COMBINING STATEMENT OF SURPLUS</u>	<u>YEAR ENDED JUNE 30, 1956</u>
<u>SCHEDULE 1</u>	<u>COMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT AND RELATED PROVISIONS FOR DEPRECIATION</u>	<u>JUNE 30, 1956</u>
<u>4 PAGES</u>	<u>NOTES TO FINANCIAL STATEMENTS</u>	<u>JUNE 30, 1956</u>

Very truly yours,

11
W. H. H. & J. H. H.

Certified Public Accountants

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING BALANCE SHEET

JUNE 30, 1956

ASSETS

PROPERTY, PLANT, AND EQUIPMENT (Note 1 and Schedule 1):

In service:

Tangible property
Intangible property
Not in service:
Tangible property

Less: Provision for depreciation

Under construction

CASH:

On deposit with Treasurer
Revolving funds

ACCOUNTS RECEIVABLE (Note 2):

Consumers' accounts
Other accounts

Less: Provision for doubtful accounts

DUE FROM CITY AND COUNTY OF SAN FRANCISCO:

General departments and funds
Other public service departments

DEFERRED CHARGES AND OTHER ASSETS:

Materials and supplies
Commitments for goods and services not received (contra)
Deposits and other accounts

TOTAL ASSETS

	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY WATER SUPPLY AND POWER PROJECT
\$227,452,602.73		\$ 97,068,751.97	\$330,383,850.76
5,958,543.00		3,222,913.00	2,735,630.00
<u>4234,316,879.95</u>		<u>847,043.38</u>	<u>58,690.84</u>
69,282,338.09		\$101,138,708.35	\$33,178,171.60
\$165,034,511.86		33,694,691.69	35,587,616.40
2,298,113.69		67,444,016.66	\$97,590,255.20
<u>\$167,132,655.52</u>		<u>2,229,062.94</u>	<u>3,689,650.72</u>
		<u>\$ 68,673,079.60</u>	<u>\$ 98,659,215.92</u>
\$ 11,574,300.34		\$ 6,957,216.87	\$ 4,617,083.47
34,000.00		30,000.00	4,000.00
<u>\$ 11,608,300.34</u>		<u>\$ 6,987,216.87</u>	<u>\$ 4,621,083.47</u>
\$ 1,150,452.45		\$ 976,595.60	\$ 173,856.85
51,324.27		51,324.27	
\$ 1,201,776.72		\$ 1,027,919.87	\$ 173,856.85
12,429.15		12,429.15	
<u>\$ 1,189,347.57</u>		<u>\$ 1,015,490.72</u>	<u>\$ 173,856.85</u>
\$ 985.19		\$ -	\$ 985.19
238,141.09	\$4,583.51	3,369.34	289,255.26
<u>\$ 239,126.28</u>	<u>\$4,583.51</u>	<u>\$ 3,369.34</u>	<u>\$ 290,340.45</u>
\$ 558,715.22		\$ 506,814.60	\$ 51,900.62
2,478,701.15		1,578,531.26	900,169.89
58,859.84		57,755.24	1,104.60
<u>\$ 3,096,276.21</u>		<u>\$ 2,143,101.10</u>	<u>\$ 953,172.11</u>
\$183,465,705.95	\$54,583.51	\$ 78,822,257.63	\$104,698,031.83

The accompanying notes to financial statements are an integral part of this balance sheet.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
 HETCH HETCHY WATER SUPPLY AND POWER PROJECT
 CORRELATING BALANCE SHEET

JUNE 30, 1956

L I A B I L I T I E S

BONDED DEBT (Note 3):

Matured bonds not presented for payment
 Maturing within one year
 Maturing after June 30, 1957

BOND INTEREST PAYABLE:

Matured coupons not presented for payment
 Due July 1, 1956
 Accrued, not due

ACCOUNTS PAYABLE AND COMMITMENTS:

Warrants outstanding and payroll deductions payable
 Accounts payable
 Retained percentages due contractors
 Commitments for goods and services not received (contra)

CONSUMERS' DEPOSITS AND CONSTRUCTION ADVANCESDUE TO CITY AND COUNTY OF SAN FRANCISCO:

General departments and funds
 Other public service departments

RESERVE:

Workmen's compensation claims, employees' vacation pay,
 sick leave, etc. (Note 4)
 Consumers' accounts subject to adjustment (Note 2)
 Other

SURPLUS - Exhibit C

TOTAL LIABILITIES, RESERVE,
 DEFERRED CREDITS, AND SURPLUS

ELIMINATIONSWATER
DEPARTMENT

HETCH HETCHY
 WATER SUPPLY
 AND POWER
 PROJECT

\$ 24,000.00	\$ 15,000.00	\$ 9,000.00
4,973,000.00	1,000,000.00	3,973,000.00
57,598,000.00	14,000,000.00	43,598,000.00
\$ 62,595,000.00	\$ 15,015,000.00	\$ 47,580,000.00
\$ 48,157.50	\$ 7,020.00	\$ 41,137.50
918,250.00	337,500.00	580,750.00
109,425.99		109,425.99
\$ 1,075,833.49	\$ 344,520.00	\$ 731,313.49
\$ 508,341.74	\$ 287,274.73	\$ 221,067.01
258,889.40	99,078.49	159,810.91
150,488.14	70,727.99	79,760.15
2,478,701.15	1,578,531.26	900,169.89
\$ 3,236,420.43	\$ 2,035,612.47	\$ 1,200,807.96
\$ 220,675.77	\$ 220,675.77	
\$ 347,701.98	\$ 72,287.29	\$ 275,414.69
41,714.42	80,684.70	15,613.23
\$ 389,416.40	\$ 152,971.99	\$ 236,444.41
\$ 338,460.89	\$ 311,158.99	\$ 27,301.90
307,211.91	307,211.91	
13,137.59	13,137.59	
\$ 658,810.39	\$ 631,508.49	\$ 27,301.90
\$ 115,129,549.47	\$ 40,421,968.91	\$ 74,707,580.56
\$ 103,465,705.95	\$ 18,654,287.43	\$ 84,811,418.52
\$ 54,583.51		
\$ 54,583.51		
\$ 54,583.51		

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 1956

	<u>COMBINED</u>	<u>ELIMINATIONS</u>	<u>WATER DEPARTMENT</u>	<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
<u>OPERATING REVENUES (Note 2):</u>				
Water sales	\$13,048,334.33	\$4,030,000.00	\$13,048,334.33	\$4,030,000.00
Electrical energy sales	<u>4,517,503.28</u>			<u>4,517,503.28</u>
<u>Total Operating Revenues</u>	<u>\$17,565,837.61</u>	<u>\$4,030,000.00</u>	<u>\$13,048,334.33</u>	<u>\$8,547,503.28</u>
<u>OPERATING EXPENSES:</u>				
Standby charge and purchases of water	\$	\$4,030,000.00	\$ 4,030,000.00	\$
Purchases of electrical energy	698,258.35			698,258.35
Production expenses	<u>574,164.12</u>			<u>574,164.12</u>
Source of water supply	475,584.14		475,584.14	
Pumping	367,162.30		367,162.30	
Purification	174,699.90		174,699.90	
Transmission and distribution	2,412,195.43		964,969.48	1,447,225.95
Commercial expenses	628,101.23		612,925.38	15,175.85
Administrative and general expenses	1,868,011.02		1,432,356.87	435,654.15
Provision for doubtful accounts	61,387.88		61,387.88	
Provision for depreciation	<u>2,984,576.35</u>		<u>1,190,548.97</u>	<u>1,794,027.38</u>
<u>Total Operating Expenses</u>	<u>\$10,244,140.72</u>	<u>\$4,030,000.00</u>	<u>\$ 9,309,634.92</u>	<u>\$4,964,505.80</u>
	<u>\$ 7,321,696.89</u>		<u>\$ 3,738,699.41</u>	<u>\$3,582,997.48</u>
<u>OTHER REVENUES:</u>				
Gain from sales of properties	\$ 56,667.29		\$ 55,206.53	\$ 1,460.76
Rentals received, including crop sales	310,772.17		282,226.01	28,546.16
Interest earned	18,457.35		18,457.35	
Miscellaneous	<u>33,981.19</u>		<u>23,732.93</u>	<u>10,248.26</u>
	<u>\$ 419,878.00</u>		<u>\$ 379,622.82</u>	<u>\$ 40,255.18</u>
	<u>\$ 7,741,574.89</u>		<u>\$ 4,118,322.23</u>	<u>\$3,623,252.66</u>
<u>OTHER EXPENSES:</u>				
Interest on bonded debt	\$ 2,290,039.11		\$ 838,324.85	\$1,451,714.26
Agricultural division and crop expenses	59,818.16		59,818.16	
Miscellaneous	<u>11,184.60</u>		<u>11,184.60</u>	
	<u>\$ 2,361,041.87</u>		<u>\$ 909,327.61</u>	<u>\$1,451,714.26</u>
<u>EXCESS OF REVENUES OVER EXPENSES -</u>				
<u>Exhibit C</u>	<u>\$ 5,380,533.02</u>		<u>\$ 3,208,994.62</u>	<u>\$2,171,538.40</u>

The accompanying notes to financial statements are an integral part of this statement of revenues and expenses.

EXHIBIT C

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING STATEMENT OF SURPLUS

YEAR ENDED JUNE 30, 1956

	<u>COMBINED</u>	<u>WATER DEPARTMENT</u>	<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
<u>BALANCE, JUNE 30, 1955</u>	<u>\$109,041,916.45</u>	<u>\$58,139,509.93</u>	<u>\$50,902,406.52</u>
<u>ADDITIONS:</u>			
Excess of revenues over expenses - Exhibit B	5,380,533.02	3,208,994.62	2,171,538.40
Advances from Federal government for Cherry Valley Reservoir	700,000.00		700,000.00
Rental of camp buildings acquired by the 1949 Cherry Valley Bond Fund	<u>7,100.00</u>	<u> </u>	<u>7,100.00</u>
	<u>\$115,129,549.47</u>	<u>\$61,348,504.55</u>	<u>\$53,781,044.92</u>
<u>INTERFUND TRANSFERS:</u>			
Bond redemption and interest on 1947 Hetch Hetchy Water Bonds applicable to properties in service with the Water Department:			
Redemption		\$(1,002,259.00)	\$ 1,002,259.00
Interest		(3,627.51)	3,627.51
Fixed capital in service transferred to the Water Department from the 1947 Hetch Hetchy Water Bond Fund		<u>79,350.87</u>	<u>(79,350.87)</u>
		<u>\$ (926,535.64)</u>	<u>\$ 926,535.64</u>
<u>BALANCE, JUNE 30, 1956</u>	<u>\$115,129,549.47</u>	<u>\$60,421,968.91</u>	<u>\$54,707,580.56</u>

SCHEDULE 1

Page 1

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENTAND RELATED PROVISIONS FOR DEPRECIATIONJUNE 30, 1956

	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>PROVISIONS FOR DEPRECIATION</u>
<u>IN SERVICE:</u>		
Tangible property:		
Water Department:		
Land and rights of way	\$ 14,176,598.40	\$
Buildings, structures, and grounds	1,634,916.89	822,479.95
Source of water supply	29,258,663.10	8,696,447.05
Pumping station equipment	1,384,108.97	385,820.59
Purification system	322,002.67	111,601.21
Transmission and distribution system	48,625,861.07	22,355,184.85
General equipment	364,951.20	195,942.10
Automotive equipment	411,415.37	265,270.06
Undistributed interest during construction	890,234.30	327,047.74
	<u>\$ 97,068,751.97</u>	<u>\$33,159,793.55</u>
Hetch Hetchy Water Supply and Power Project:		
Water supply:		
Land and rights of way	\$ 3,099,826.93	\$ 36,187.15
Buildings, structures, and grounds	600,843.05	171,591.41
Source of water supply	112,816,291.28	27,294,763.47
Purification system	37,313.93	28,010.21
General equipment	353,116.22	220,175.54
	<u>\$116,907,391.41</u>	<u>\$27,750,727.78</u>
Power supply:		
Land and rights of way	\$ 143,539.06	\$
Buildings, structures, and grounds	2,051,634.87	1,093,456.93
Hydraulic production plant	8,230,798.21	4,449,958.45
Transmission system	2,698,523.85	2,149,300.29
General equipment	351,963.36	111,152.15
	<u>\$ 13,476,459.35</u>	<u>\$ 7,803,867.82</u>
	<u>\$130,383,850.76</u>	<u>\$35,554,595.60</u>
<u>Total Tangible Property In Service</u>	<u>\$227,452,602.73</u>	<u>\$68,714,389.15</u>
Intangible property:		
Water Department;		
Water rights and other intangible property	\$ 3,222,913.00	
Hetch Hetchy Water Supply and Power Project:		
Water rights and other intangible property	<u>2,735,630.00</u>	
<u>Total Intangible Property In Service</u>	<u>\$ 5,958,543.00</u>	
<u>NOT IN SERVICE:</u>		
Tangible property:		
Water Department	\$ 847,043.38	\$ 534,898.14
Hetch Hetchy Water Supply and Power Project	<u>58,690.84</u>	<u>33,050.80</u>
<u>Total Tangible Property Not In Service</u>	<u>\$ 905,734.22</u>	<u>\$ 567,948.94</u>
<u>Forward</u>	<u>\$234,316,879.95</u>	<u>\$69,282,338.09</u>

SCHEDULE 1

Page 2

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENTHETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENTAND RELATED PROVISIONS FOR DEPRECIATIONJUNE 30, 1956

	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>PROVISIONS FOR DEPRECIATION</u>
<u>Forward</u>	<u>\$234,316,879.95</u>	<u>\$69,282,338.09</u>
<u>UNDER CONSTRUCTION:</u>		
Water Department:		
Hillsborough tunnel	\$ 319,416.14	
Crystal Springs and Sunset supply line	161,640.86	
Guadalupe by-pass	430,568.55	
Sunset reservoir	212,705.85	
Water mains	38,590.01	
Other	66,141.53	
	<u>\$ 1,229,062.94</u>	
Hetch Hetchy Water Supply and Power Project:		
Cherry Valley dam	\$ 1,018,982.91	
Other	50,067.84	
	<u>\$ 1,069,050.75</u>	
<u>Total Property Under Construction</u>	<u>\$ 2,298,113.69</u>	
<u>TOTAL PROPERTY, PLANT, AND EQUIPMENT</u>	<u>\$236,614,993.64</u>	<u>\$69,282,338.09</u>

ADDITIONS TO COMBINED PROPERTIESYEAR ENDED JUNE 30, 1956

Water Department:		
Land and rights of way	\$ 121,645.53	
Summit reservoir and pumping station	674,456.81	
Sunset supply line	379,668.36	
Bay Division pipe line	108,946.14	
Fluoridation plants	62,598.41	
McLaren pumping station	96,666.69	
Water mains, meters, connections, etc.	817,956.71	
Other	<u>110,419.63</u>	
		<u>\$ 2,372,358.28</u>
Hetch Hetchy Water Supply and Power Project:		
Cherry Valley dam and reservoir	\$ 10,133,676.36	
Relining San Joaquin pipeline No. 1	222,798.78	
Cottages and improvements at Moccasin and Early Intake	135,546.43	
Other	<u>94,829.99</u>	
		<u>10,586,851.56</u>
		<u>\$12,959,209.84</u>

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

NOTE 1. Section 128 of the Charter of the City and County of San Francisco provides that the Public Utility Commission make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recent appraisal as of June 30, 1953, are reflected in the accounts at June 30, 1956. Additions to properties subsequent to June 30, 1953, have been recorded at cost. Depreciation for the year ended June 30, 1956, is based upon rates as set forth in the appraisal as of June 30, 1953.

Major construction projects in progress at June 30, 1956, have estimated total costs of \$5,830,000.00. Costs to complete these projects, exclusive of amounts representing portions placed in service and construction in progress, are estimated at \$4,307,761.99 at that date.

The total costs of construction of the Cherry Valley Reservoir and appurtenant facilities are estimated at \$14,200,000.00. As of June 30, 1956, the major portion of this project, having an approximate aggregate cost of \$11,200,000.00, had been completed and placed in operation under the Hetch Hetchy Water Supply and Power Project. A portion of the funds necessary for construction is being provided by the Federal government under provisions of a contract, dated August 29, 1949, between the Federal government and the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, relating to facilities for additional protection against floods of the Tuolumne River. A further portion of the funds necessary for construction is being provided by the City and County of San Francisco under an authorized bond issue of \$4,000,000.00.

The funds from the Federal government for the flood protection program under the contract dated August 29, 1949, are estimated in the contract at \$12,000,000.00. By supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, \$9,000,000.00 of the funds to be received from the Federal government are to be expended toward the construction of Cherry Valley Reservoir and appurtenances, and the remainder of such funds in the amount of \$3,000,000.00 are to be expended toward the construction of a new dam and reservoir at Don Pedro. At June 30, 1956, the Federal government had paid \$8,922,810.72 pursuant to the contract. The payments received have been included in surplus of the Hetch Hetchy Water Supply and Power Project in the fiscal years received, upon advice of the City Attorney. The conditions of the contract with the Federal government are subject, on the part of the government, to the authorization and the appropriation by Congress of funds for the accomplishment of the objectives of the contract. As of July 29, 1953, the amount authorized by Congress was \$10,500,000.00 of which \$8,986,430.00 has been appropriated.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

NOTE 1. (Continued)

The supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District provides generally that title to the Cherry Valley Reservoir will vest in the City and County of San Francisco. This agreement further provides that the City and County of San Francisco will participate in the construction of a new Don Pedro Dam and Reservoir, title to which will vest in the irrigation districts. Participation in the construction of the new dam and reservoir at Don Pedro is subject, on the part of the City and County of San Francisco, to the fiscal provisions of its Charter and prior approval by the electors.

Under date of November 8, 1955, the electors of the City and County of San Francisco approved a bond issue in the amount of \$54,000,000.00 for the acquisition, construction, and completion of two power plants located in Tuolumne County, California, and other works and properties on the Hetch Hetchy Project. As of June 30, 1956, no bonds had been issued, and no contracts had been entered into with the exception of engineering contracts in the aggregate amount of \$196,710.39.

NOTE 2.

Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other consumers of water are billed bi-monthly.

The combining statement of revenues and expenses, Exhibit B, attached, does not include recorded revenue from water delivered to Municipal Departments without charge, which, if billed at regular rates, would have resulted in additional revenue of \$740,038.22 to the Water Department, nor does the statement include a charge of an equal amount for municipal tax expense which is also reflected on the records of the Water Department. This amount of \$740,038.22 was computed and recorded in token of compliance with Section 64 of the Charter which provides that the accounts of each utility shall be maintained in such manner as to reflect estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated.

Certain consumers entered into contracts with the Spring Valley Water Co. which contracts entitled these consumers to water at reduced rates or free of charge. These contracts were assumed by the Water Department upon acquisition of that Company's facilities by the City and County of San Francisco. Based upon a legal opinion by the City Attorney that these contracts were illegal and unenforceable, the Water Department billed these consumers additional amounts representing the difference between the contract rates and scheduled rates as applied to water delivered under these contracts during the period November 17, 1950, to June 30, 1956. Certain of these consumers filed claims against the City and County of San Francisco contesting the legality of the cancellation of these contracts, and for damages resulting therefrom.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

NOTE 2. (Continued)

Reserves aggregating \$307,211.91 have been established by the Water Department to fully provide for possible adjustments of these additional charges. No provision has been made on the attached balance sheet for damages resulting from cancellation of these contracts, if any.

NOTE 3.

The combined bonded debt of the City and County of San Francisco applicable to the San Francisco Water Department and the Hetch Hetchy Water Supply and Power Project aggregated \$62,595,000.00 at June 30, 1956. This indebtedness was incurred upon the general faith and credit of the City and County of San Francisco and is summarized as follows:

	<u>MATURED</u>	<u>UNMATURED</u>	<u>TOTAL</u>
<u>WATER DEPARTMENT:</u>			
Spring Valley, July 1, 1928 - 4-1/2%	\$15,000.00	\$15,000,000.00	\$15,015,000.00
<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT:</u>			
Water, July 1, 1910 - 4-1/2%	1,000.00	9,000,000.00	9,001,000.00
Hetch Hetchy Water, January 1, 1925 - 5%		3,250,000.00	3,250,000.00
Hetch Hetchy, July 1, 1928 - 4-1/2%	1,000.00	13,200,000.00	13,201,000.00
Hetch Hetchy, June 1, 1932 - 2-3/4% to 5-3/4%	7,000.00	2,900,000.00	2,907,000.00
<u>1947 HETCH HETCHY WATER:</u>			
Series A, February 1, 1948 - 2% and 2-1/2%		4,500,000.00	4,500,000.00
Series D, November 1, 1949 - 1% to 1-1/2%		6,256,000.00	6,256,000.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%		3,570,000.00	3,570,000.00
Series F, August 1, 1953 - 2-1/4% to 6%		1,470,000.00	1,470,000.00
<u>1949 CHERRY VALLEY DAM:</u>			
Series A, March 1, 1952 - 1-1/4% and 1-1/2%		800,000.00	800,000.00
Series B, December 1, 1952 - 1-1/2% and 1-3/4%		2,625,000.00	2,625,000.00
	<u>\$24,000.00</u>	<u>\$62,571,000.00</u>	<u>\$62,595,000.00</u>

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

NOTE 3. (Continued)

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the succeeding five years follows:

YEAR ENDING

JUNE 30,

1957	\$4,973,000.00
1958	4,972,000.00
1959	4,972,000.00
1960	4,972,000.00
1961	3,972,000.00

NOTE 4.

The Water Department carries insurance coverage with insurance carriers against losses from boiler explosion, burglary, plate glass, automobile public liability and property damage claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Water Department acts as self-insurer against other losses including other property casualty losses, other public liability and property damage claims, and workmen's compensation claims.

The Hetch Hetchy Water Supply and Power Project carries insurance coverage with insurance carriers against losses from public liability and property damage claims, and casualty losses of buildings, with the exception of certain buildings having nominal values. The Hetch Hetchy Water Supply and Power Project acts as self-insurer against other losses, including other property casualty losses and workmen's compensation claims.

NOTE 5.

Under provisions of Section 122 of the Charter of the City and County of San Francisco, the Hetch Hetchy Water Supply and Power Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1956.

NOTE 6.

The San Francisco Water Department was contingently liable as of June 30, 1956, under various property damage, personal injury, and water rate suits. The Hetch Hetchy Water Supply and Power Project was contingently liable as of June 30, 1956, under various suits for alleged damages to wells and springs, and personal injury. The aggregate amount of actual liability on these suits is indeterminable as of the date of this report.

The Hetch Hetchy Water Supply and Power Project is contingently liable to the United States Government for costs of road maintenance chargeable to Hetch Hetchy Water Supply and Power Project under the provisions of the Raker Act as affirmed by court decisions. The amount of such liability cannot be determined as of the date of this report.



Municipal Railway of San Francisco



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 1956

BARLOW, DAVIS & WOOD

CERTIFIED PUBLIC ACCOUNTANTS

HOBART BUILDING
582 MARKET STREET
SAN FRANCISCO 4
GARFIELD 1-2992

Honorable H. D. Ross,
Controller, City and
County of San Francisco
San Francisco, California

Dear Sir:

We have examined the balance sheet of the Municipal Railway of San Francisco as of June 30, 1956 and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We now submit our report on the examination consisting of our comments on operations and on the balance sheet, together with related statements as set forth in the index appended hereto.

RESULTS OF OPERATIONS

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results. Much of the statistical data contained in these comments has been obtained from records maintained by the Railway without verification by us.

The operations of the Railway for the year ended June 30, 1956 resulted in a loss of \$1,655,194.96 as compared with a loss of \$1,153,078.19 for the preceding year. A condensed summary and comparison of the results of operations for the year ended June 30, 1956 and 1955, is as follows (cents omitted):

	<u>Year ended June 30,</u>		<u>Increase</u>
	<u>1956</u>	<u>1955</u>	<u>(Decrease)</u>
Operating income:			
Passenger revenue	\$20,252,610	\$20,898,346	\$(645,736)
Advertising, rents, etc.	<u>203,411</u>	<u>189,197</u>	<u>14,214</u>
Total operating income	20,456,021	21,087,543	(631,522)
Operating expenses	<u>21,958,369</u>	<u>22,018,205</u>	<u>(59,836)</u>
Loss from operations	1,502,348	930,662	(571,686)
Other income	<u>92,563</u>	<u>56,618</u>	<u>35,945</u>
	1,409,785	874,044	(535,741)
Other expense	<u>245,410</u>	<u>279,034</u>	<u>(33,624)</u>
Loss for year	<u>\$ 1,655,195</u>	<u>\$ 1,153,078</u>	<u>\$(502,117)</u>

The decrease in passenger revenue was primarily attributable to a decrease of 4,411,574 in the number of fare passengers carried. This decrease amounted to 2.99% from the prior year compared to a decrease in revenue of 3.09%.

The following summary, taken from statistical records of the Railway, shows the mileage traversed during the past two years by the various types of equipment.

Type of equipment	Year ended June 30,				Increase (Decrease) Mileage
	1956		1955		
	Mileage	Per cent of total	Mileage	Per cent of total	
Electric street cars:					
Two-man	2,256,787	8.18	2,894,058	10.19	(637,271)
One-man	1,785,633	6.48	1,156,982	4.07	628,651
	4,042,420	14.66	4,051,040	14.26	(8,620)
Motor coaches	13,649,522	49.51	13,910,957	48.98	(261,435)
Trolley coaches	9,402,570	34.11	9,950,268	35.04	(547,698)
Cable cars	473,868	1.72	488,944	1.72	(15,076)
Total	27,568,380	100.00	28,401,209	100.00	(832,829)

The hours for which the various types of equipment were operated, as computed by the Railway, are shown by the following summary:

Type of equipment	Year ended June 30,				Increase (Decrease) Hours
	1956		1955		
	Hours	Per cent of total	Hours	Per cent of total	
Electric street cars:					
Two-man	251,166	8.29	313,997	10.05	(62,831)
One-man	177,663	5.86	114,839	3.68	62,824
	428,829	14.15	428,836	13.73	(7)
Motor coaches	1,385,701	45.74	1,410,430	45.16	(24,729)
Trolley coaches	1,120,758	37.00	1,190,071	38.10	(69,313)
Cable cars	94,184	3.11	94,041	3.01	143
Total	3,029,472	100.00	3,123,378	100.00	(93,906)

The overall reduction in both miles traveled (2.93%) and hours operated (3.01%) results primarily from the curtailment of service on various routes in continuance of the trend of recent years.

Operating income and expenses are expressed in cents per mile traversed as follows:

	Cents Per Mile		
	Year ended June 30,	1955	Increase (Decrease)
	<u>1956</u>		
Operating income:			
Passenger revenue	73.463	73.583	(.120)
Advertising, rents, etc.	<u>.738</u>	<u>.666</u>	<u>.072</u>
Total operating income	<u>74.201</u>	<u>74.249</u>	<u>(.048)</u>
Operating expenses:			
Maintenance and repairs:			
Way and Structures	2.655	2.466	.189
Equipment	<u>8.130</u>	<u>7.837</u>	<u>.293</u>
Total maintenance and repairs	10.785	10.303	.482
Power	7.258	7.640	(.382)
Conducting transportation	40.336	38.707	1.629
General and miscellaneous	8.782	8.530	.252
Payroll taxes	<u>.838</u>	<u>.727</u>	<u>.111</u>
	67.999	65.907	2.092
Provision for accident claims	5.510	5.519	(.009)
Depreciation	5.076	6.100	(1.024)
Rent of leased coaches	<u>1.065</u>		<u>1.065</u>
Total operating expenses	<u>79.650</u>	<u>77.526</u>	<u>2.124</u>
Loss from operations	<u><u>5.449</u></u>	<u><u>3.277</u></u>	<u><u>2.172</u></u>

Operating income and expenses are expressed in dollars per hour of operation as follows:

	Dollars Per Hour		
	Year ended June 30, <u>1956</u>	<u>1955</u>	Increase (Decrease)
Operating income:			
Passenger revenue	\$6.685	\$6.691	\$(.006)
Advertising, rents, etc.	<u>.067</u>	<u>.061</u>	<u>.006</u>
Total operating income	<u>6.752</u>	<u>6.752</u>	<u>.000</u>
Operating expenses:			
Maintenance and repairs:			
Way and structures	.242	.224	.018
Equipment	<u>.740</u>	<u>.713</u>	<u>.027</u>
Total maintenance and repairs	.982	.937	.045
Power	.660	.695	(.035)
Conducting transportation	3.671	3.520	.151
General and miscellaneous	.799	.775	.024
Payroll taxes	<u>.076</u>	<u>.066</u>	<u>.010</u>
	6.188	5.993	.195
Provision for accident claims	.501	.502	(.001)
Depreciation	.462	.555	(.093)
Rent of leased coaches	<u>.097</u>	<u> </u>	<u>.097</u>
Total operating expense	<u>7.248</u>	<u>7.050</u>	<u>.198</u>
Loss from operations	\$ <u>.496</u>	\$ <u>.298</u>	\$ <u>.198</u>

The following summarizes the decrease in operating expenses for the year ended June 30, 1956 as compared with the preceding year (cents omitted):

	Increase (Decrease) In Operating Expenses		
	<u>Total</u>	<u>Payroll</u>	<u>Other</u>
Maintenance and repairs:			
Way and structures	\$ 31,607	\$ 17,482	\$ 14,125
Equipment	<u>15,652</u>	<u>64,652</u>	<u>(49,000)</u>
	47,259	82,134	(34,875)
Power	(168,909)	(663)	(168,246)
Conducting transportation	126,682	124,197	2,485
General and miscellaneous	(1,701)	11,742	(13,443)
Payroll taxes	<u>24,590</u>		<u>24,590</u>
	27,921	217,410	(189,489)
Provision for accident claims	(48,430)		(48,430)
Depreciation	<u>(333,132)</u>		<u>(333,132)</u>
Rent of leased coaches	293,805		293,805
Increase (decrease) in operating expenses	<u>\$ (59,836)</u>	<u>\$ 217,410</u>	<u>\$(277,246)</u>

The increase of \$124,197 in conducting transportation payroll expense consists of an increase in operators' wages of \$52,323 plus an increase in other salaries and wages totaling \$71,874. The increase in operators' wages has been analyzed as follows:

Increase due to operators' wage rate increase of 5.16%	\$416,000
--	-----------

Decreases:

Decline in operations, determined by applying per cent of decrease in equipment operating hours against 1954-55 total wages paid as to each classification	\$225,000
--	-----------

Additional changeovers from two-man to one-man operations on certain street car runs - 62,824 additional one-man hours of operations compared to 1954-55 extended at \$1.939 per hour (1954-55 rate)	122,000
--	---------

Balance, reason undetermined	<u>16,677</u>	363,677
Net increase		<u>\$ 52,323</u>

The increases in other payroll costs resulted primarily from the increases in pay rates effective July 1, 1955, the change in the number of employees being negligible. Comparative rates for some of the principal payroll classifications for the year under review and for the preceding year follow:

<u>Classification</u>	<u>Number employed*</u>	<u>Rates effective during fiscal year</u>		
		<u>Per</u>	<u>1955-56</u>	<u>1954-55</u>
Platform men	2,028	Hour	\$ 2.04**	\$ 1.939
Trackmen	48	Day	17.40	16.40
Shop mechanics	37	Day	17.35	17.17
Senior shop mechanics	95	Day	21.00	20.20
Automotive mechanics	65	Week	103.50	98.50
Automotive mechinists	41	Week	108.50	103.50
Car cleaners and janitors	121	Month	265-310	255-305
Inspectors	106	Month	370-420	360-410
General clerks	96	Month	270-325	265-325

*In accordance with wage and salary ordinance for 1955-56

**If employed prior to January 11, 1955

The decrease in power costs other than payroll consists of the following:

Decreases:

Cost of electricity used in street car, trolley coach and cable car operations	\$ 21,926
Cost of gasoline and diesel fuels used in motor coach operations	149,657
	<u>171,583</u>

Increase in miscellaneous other non-payroll
power costs

3,337
<u>\$168,246</u>

The decline in electrical power costs is due primarily to decreased hours of operations, the rates per kilowatt hour having remained constant. The decline in gasoline and diesel fuel costs while also due somewhat to the decline in hours of operations is, judging from the cost records maintained by the Railway, due primarily to the substitution of 170 new diesel coaches placed in operation commencing in December, 1955 for gasoline and diesel coaches which were retired. Cost statements as prepared by personnel of the Railway indicate that the fuel cost per mile of the new diesel coaches was \$.04448 for the year ended June 30, 1956 as compared

to \$.03172 per mile for other motor coaches. The Railway's statistics show these new coaches as having operated a total of 2,558,075 miles through June 30, 1956. The new diesel coaches are leased by the Railway whereas the coaches which were replaced were owned.

An increase of \$48,430 in payroll taxes results primarily from an increase from \$3,600 to \$4,200 in the maximum amount of each employee's wages or salary subject to the tax. The decline by \$48,430 in the provision for accident claims results directly from the decline in gross passenger revenue inasmuch as provision has been made at a constant rate per dollar of revenue for the two years. The decrease in depreciation, \$333,132, results from assets becoming fully depreciated during the prior year but either continuing in use or being replaced by leased equipment.

FINANCIAL CONDITION

Presented below is a summary of the Railway's balance sheet with comparative amounts at June 30, 1955.

	<u>June 30,</u>		<u>Increase</u>
	<u>1956</u>	<u>1955</u>	<u>(Decrease)</u>
ASSETS:			
Fixed capital (net of depreciation)	\$16,363,553.66	\$17,473,845.98	\$(1,110,292.32)
Cash	3,847,228.46	3,826,156.46	21,072.00
Accounts receivable	89,196.14	52,520.93	36,675.21
Deferred charges:			
Materials and supplies	651,765.88	717,846.56	(66,080.68)
Prepaid rentals of leased coaches	789,001.01		789,001.01
Other items	24,814.54	17,764.58	7,049.96
Commitments	217,396.08	496,037.26	(278,641.18)
Total	<u>\$21,982,955.77</u>	<u>\$22,584,171.77</u>	<u>\$(601,216.00)</u>
LIABILITIES AND SURPLUS:			
Bonded debt	12,269,200.00	13,868,200.00	(1,599,000.00)
Bond interest payable	87,968.31	96,431.88	(8,463.57)
Accounts payable, commitments, etc.	1,633,195.62	1,803,345.51	(170,149.89)
Reserves	2,738,586.37	3,001,108.25	(262,521.88)
Deferred credits	8,246.31	12,310.10	(4,063.79)
Contributed surplus	14,371,943.30	11,273,765.21	3,098,178.09
Deficit from operations	(9,126,184.14)	(7,470,989.18)	(1,655,194.96)
Total	<u>\$21,982,955.77</u>	<u>\$22,584,171.77</u>	<u>\$(601,216.00)</u>

The increase in cash as of June 30, 1956, as compared with June 30, 1955, is explained by the following summary of funds provided and funds applied:

Funds provided:

Contributions from General Fund of the City and County of San Francisco - from general taxes for operating expenses	\$3,098,178.09
Decrease in materials and supplies (net of valuation adjustment of \$6,291.62 charged to operations - see below)	59,789.06
	<u>3,157,967.15</u>

Funds applied:

To net loss before deducting charges which do not represent the expenditure of cash (represented by the net loss for the year of \$1,655,194.96 offset by non-cash charges for depreciation, \$1,399,251.37; fixed capital assets retired, \$26,892.63; and obsolescence of materials and supplies, \$6,291.62)	\$ 222,759.34	
Additions to fixed capital assets	51,447.37	
Increase in construction in progress	264,404.31	
Increase in accounts receivable	36,675.21	
Increase in deferred charges	517,409.79	
Redemption of bonded indebtedness	1,599,000.00	
Decrease in bond interest payable	8,463.57	
Decrease in accounts payable	170,149.89	
Decrease in reserves:		
Accident claims	241,207.46	
Employees' compensation claims	21,000.00	
Token liability	314.42	
Decrease in deferred credits	<u>4,063.79</u>	<u>3,136,895.15</u>
Increase in cash as of June 30, 1956		<u>\$ 21,072.00</u>

Road and Equipment - \$39,674,111.84
Accumulated Depreciation - \$23,612,502.47

The recorded value of the Railway's investment in fixed assets, other than construction work in progress at June 30, 1956, is set forth in the accompanying Schedule "1". The related depreciation is shown in Schedule "2".

A substantial portion of the fixed assets is recorded in the accounts at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

Properties acquired prior to June 30, 1938 are recorded at appraisal valuations as of that date. Additions to property, subsequent to June 30, 1938, are recorded substantially at cost with the exception of the Market Street Extension which was recorded at the appraisal valuations as of September 29, 1944. Properties acquired from California Street Cable Railway Company were purchased with general funds of the City and County of San Francisco for \$150,000.00 and contributed to the Railway.

In accordance with Section 128 of the Charter, an appraisal of the properties of the Railway was made as at June 30, 1953 to determine the values, the probable useful life, and the reasonable annual depreciation, based upon a revision of the previous appraisal made as at June 30, 1948. The net adjustment to the recorded costs and depreciation reserves resulting from this appraisal were recorded during the preceding two fiscal years.

The engineering report made by the Public Utilities Commission engineers in connection with the appraisal indicated that the recorded cost of non-operated track, roadway, and underground conduit, at June 30, 1953, all fully depreciated, amounted to \$2,497,988.49. During the three ensuing years ending June 30, 1956, assets and related accumulated depreciation included in the above have been retired in the amount of \$2,421,008.50 leaving a balance at June 30, 1956 of \$76,979.99.

It is the practice of the Railway to record the first depreciation of an addition to fixed assets in the year following that in which the asset is put in service, and to charge income with a full year's depreciation in the year of retirement.

Additions to road and equipment during the year ended June 30, 1956 are as follows:

Way and structures:

Construction of tail sheaves at Van Ness Avenue and California Street and rehabilitation of blind channel on Mason Street		\$28,403.94
Installation of straight tracks in Geary Street at Stockton Street		5,608.06
Poles and fixtures		<u>1,557.66</u>
		<u>\$35,569.66</u>

Equipment:

Acquisition of ten new radio cars	\$12,566.31	
Shop equipment	<u>3,311.40</u>	<u>15,877.71</u>
Total		<u>\$51,447.37</u>

The following is a summary of recorded retirements during the year ended June 30, 1956:

	Road and equipment	Depreciation to date of retirement
Way and structures:		
Tracks, etc.:		
Cable tracks on California Street, Van Ness Avenue to Walnut Street	\$ 603,249.31	\$ 597,612.04
Stockton Street, tunnel to Columbus Avenue	67,270.28	66,235.46
Roadway machinery and tools	1,162.44	1,162.44
Trolley poles:		
From Market Street Extension	19,741.71	18,754.63
Stockton Street	2,373.85	2,255.16
Others	151.50	143.93
Overhead lines:		
From Market Street Extension	4,824.95	4,101.21
Stockton Street	6,848.35	5,821.10
	<u>705,622.39</u>	<u>696,085.97</u>
Equipment:		
Seventy-seven motor coaches	875,711.09	864,763.74
Nine trolley coaches	82,230.00	81,330.00
Six cable cars	66,415.50	66,415.50
Twelve street cars	59,586.02	57,186.02
Five electric work cars	46,453.00	45,988.77
Ten passenger automobiles	11,233.30	10,671.68
Electric equipment - street cars	51,476.88	50,090.73
Electric equipment - trolley coaches	41,019.00	40,569.00
Shop equipment	2,143.47	1,896.61
	<u>1,236,268.26</u>	<u>1,218,912.05</u>
Total retirements	<u>\$1,941,890.65</u>	<u>\$1,914,998.02</u>

We were advised that an additional twenty-six motor coaches were to be retired after June 30, 1956 and that forty-nine motor coaches were to be placed in storage with the intention of subsequently overhauling them.

Cash - \$3,847,228.46

Cash at June 30, 1956 consisted of the following:

On deposit with the Treasurer of the City and County of San Francisco:	
Operating fund	\$3,776,393.35
1947 Municipal Railway Rehabilitation bond fund	54,008.86
Bond interest funds:	
1947 Municipal Railway Rehabilitation bond fund	1,348.75
Issue of December 1, 1913	232.50
Geary Street issue of 1910	22.50
Market Street issue of 1910	22.50
Bond redemption fund - Issue of December 1, 1913	200.00
Total on deposit with Treasurer	<u>3,832,228.46</u>
Revolving funds	15,000.00
Total cash	<u>\$3,847,228.46</u>

We examined a copy of the Treasurer's report reconciling the Treasurer's balances of the Operating fund and the 1947 Municipal Railway Rehabilitation bond fund at June 1, 1956, with the balances reflected by the Railway's books at June 30, 1956. The detail of warrants outstanding used in the Treasurer's reconciliation was determined by reference to the Controller's records. Warrants paid subsequent to June 30, 1956 were examined by us. We also examined originals and copies of warrants issued during the year on a test basis and compared them with the records of warrants issued as maintained by the Railway.

Revolving fund bank accounts were reconciled by us with amounts certified to us directly by the depositories and cash funds were counted or confirmations were obtained from custodians for amounts shown to be in their possession.

Accounts Receivable - \$55,237.50

Following is the detail of accounts receivable as of June 30, 1956:

Fielder, Sorensen & Davis (advertising revenue)	\$20,012.84
United States Post Office Department (balance for quarter ended June 30, 1956 under contract to furnish transportation to mail carriers)	17,438.00
San Francisco Unified School District (charter services)	7,865.33
Johnson & Higgins of California (insurance premium adjustment)	3,582.99
Pacific Gas & Electric Company (pole rental)	2,854.00
State of California (job reimbursement)	1,875.45
Nichols & Fay (insurance refund)	1,413.83
Other	195.06
Total	<u>\$55,237.50</u>

The balance with Fielder, Sorensen & Davis was confirmed by direct communication with the debtor. The remaining balances with the exception of the "Other" group above were compared with the debtor remittance advices or other evidences of payment in July and August, 1956. It appears that no losses will be incurred in the collection of any balances outstanding at June 30, 1956.

Materials and Supplies - \$651,765.88

This balance consists of the aggregate book value of the inventories of materials and supplies totaling \$651,764.88, plus metal tokens at the nominal valuation of \$1.00.

The amount of materials and supplies inventories was determined by a tabulation of perpetual inventory records as of May 25, 1956, adjusted for subsequent receipts and issues to June 30, 1956. We were informed that physical counts were made by employees at various times during the year and that the perpetual inventory records were adjusted to such counts. Our review of the perpetual inventory records showed evidence to that effect. These inventories were priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

We made tests of the quantities in the inventory by physical counts, and tested the pricing and computations. The factor of inventory obsolescence was discussed with employees responsible for the inventory preparation. Based upon their opinion, the amount of \$13,304.38 has been provided for estimated obsolescence.

Prepaid Rental of Leased Motor Coaches - \$789,001.01

On May 16, 1955 the Municipal Railway of San Francisco entered into a contract with the Mack Motor Truck Corporation for the lease of a minimum of 440 diesel motor coaches, deliveries to be made, as scheduled in the agreement, over a period commencing December 1, 1955 and ending July 1, 1960. As of June 30, 1956, a total of 170 coaches had been delivered for which \$1,082,806.10 had been paid for advance rental, interest, freight and use taxes. Of these total disbursements, \$293,805.09 was applied to expense during the year on the basis of \$0.114854 per mile operated by the coaches, leaving a balance of \$789,001.01 to be applied to future miles of operations.

Reserve for Accident Claims - \$2,595,595.45

A summary of the changes in this reserve during the year ended June 30, 1956 is as follows:

Balance as of June 30, 1955		\$2,836,802.91
Provision for accidents		1,518,945.72
Total		4,355,748.63
Less:		
Claims paid and miscellaneous expenses, net of recoveries from insurance carriers	\$1,305,956.23	
Services of City Attorney's office	122,347.00	
Claims department payroll	169,651.96	
Cost of excess liability insurance coverage	<u>162,197.99</u>	1,760,153.18
Balance as of June 30, 1956		<u>\$2,595,595.45</u>

Provision for accident claims has for several years been made on the basis of 7-1/2% of gross passenger revenue. Our review of the history of claim payments compared to claims presented indicates that the reserve balance at June 30, 1956 is adequate to meet payments reasonably to be expected under claims unsettled at June 30, 1956. However, in view of the continuing decline in passenger revenue without accompanying decreases in accident claim settlements, we believe that consideration should be given to an upward adjustment for the future in the rate of provision to assure continuing adequacy in the reserve balance.

Reserve for Employees'
Compensation Claims - \$142,000.00

The amount of this reserve has been established on the basis of information as to the amount of compensation claims of employees estimated to be outstanding at June 30, 1956, as furnished by the City and County of San Francisco Employee Retirement System. The above balance represents a reduction of \$21,000.00 from the reserve balance at June 30, 1955.

Deferred Credits - \$8,246.31

Deferred credits at June 30, 1956 consist of unamortized bond premium, \$6,130.04, deposits expected to be applied against jobs in process for others, \$1,118.87, and miscellaneous small items totaling \$997.40, whose final disposition is being deferred to subsequent periods.

OPINION

In our opinion the accompanying balance sheet and related statements of income and surplus present fairly the financial position of Municipal Railway of San Francisco at June 30, 1956 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours truly,

Barlow, Davis & Wood

San Francisco, California
September 12, 1956

INDEX TO STATEMENTS

- Exhibit "A" - Balance Sheet as of June 30,
1956
- Exhibit "B" - Statement of Income for the
years ended June 30, 1956
and 1955, and comparison
- Exhibit "C" - Statement of Surplus for the
year ended June 30, 1956
- Schedule "1" - Summary of Road and Equipment
for the year ended June 30,
1956
- Schedule "2" - Summary of Road and Equipment
Depreciation for the year
ended June 30, 1956
- Schedule "3" - Unmatured Bonded Debt as of
June 30, 1956

MUNICIPAL RAILWAY OF SAN FRANCISCO
BALANCE SHEET
AS OF JUNE 30, 1956

ASSETS

FIXED CAPITAL:

Road and equipment (Schedule "1").....	\$39,674,111.84	
Less accumulated depreciation to date (Schedule "2").....		23,612,502.47
Road and equipment, net book value.....		<u>16,061,609.37</u>
Construction work in progress.....		301,944.29
		<u>16,363,553.66</u>

CASH:

On deposit with treasurer.....	\$3,832,228.46	
Revolving funds.....	<u>15,000.00</u>	3,847,228.46

ACCOUNTS RECEIVABLE.....		55,237.50
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INTERFUND ACCOUNTS RECEIVABLE:

Due from General City and County.....	19,068.07	
Due from other public service enterprises.....	<u>14,890.57</u>	33,958.64

DEFERRED CHARGES:

Materials and supplies - at average cost, or estimated scrap or useful value.....	651,765.88	
Prepaid rental of leased motor coaches.....	789,001.01	
Prepaid insurance premiums and other deferred charges.....	24,814.54	
Uncompleted contracts, purchase orders, and other commitments (see contra).....	<u>217,396.08</u>	1,682,977.51

TOTAL..... \$21,982,955.77

MUNICIPAL RAILWAY OF SAN FRANCISCO
BALANCE SHEET - (Continued)
AS OF JUNE 30, 1956

LIABILITIES

BONDED DEBT:

Unmatured bonds (Schedule "3"):

Maturing within one year.....	\$ 1,599,000.00	
Maturing subsequent to June 30, 1957.....	10,670,000.00	
Total unmatured bonds.....	12,269,000.00	
Matured bonds not presented for payment.....	200.00	
		12,269,200.00

BOND INTEREST PAYABLE:

Accrued but not due.....	\$ 86,342.06	
Matured coupons not presented for payment.....	<u>1,626.25</u>	87,968.31

ACCOUNTS PAYABLE, COMMITMENTS, ETC.:

Outstanding warrants and payroll deductions.....	931,444.23	
General creditors.....	175,014.94	
Accrued Federal Insurance Contribution Act Tax.....	33,638.44	
Accrued California Use Tax.....	4,344.89	
Accrued payrolls.....	<u>3,704.13</u>	
Total accounts payable and accrued liabilities.....	1,148,146.63	
Uncompleted contracts, purchase orders, and other commitments (see contra).....	<u>217,396.08</u>	1,365,542.71

INTERFUND ACCOUNTS PAYABLE:

Due to General City and County.....	197,519.97	
Due to other public service enterprises.....	<u>70,132.94</u>	267,652.91

RESERVES:

Accident claims.....	2,595,595.45	
Employees' compensation claims.....	142,000.00	
Outstanding tokens.....	<u>990.92</u>	2,738,586.37

DEFERRED CREDITS.....		8,246.31
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SURPLUS (Exhibit "C"):

Contributed surplus.....	14,371,943.30	
Less deficit from operations.....	<u>9,126,184.14</u>	5,245,759.16

TOTAL..... \$21,982,955.77

MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF INCOME
FOR THE YEARS ENDED JUNE 30, 1956 AND 1955,
AND COMPARISON

	Year ended June 30,		Increase (Decrease)
	<u>1956</u>	<u>1955</u>	
OPERATING INCOME:			
Passenger revenue....	\$20,252,609.60	\$20,898,346.27	\$(645,736.67)
Advertising revenue..	155,466.70	143,339.88	12,126.82
Rents.....	16,718.01	15,885.34	832.67
Other.....	<u>31,226.84</u>	<u>29,971.80</u>	<u>1,255.04</u>
TOTAL OPERATING INCOME.....	<u>20,456,021.15</u>	<u>21,087,543.29</u>	<u>(631,522.14)</u>
OPERATING EXPENSES:			
Maintenance and repairs:			
Way and structures.	731,950.84	700,343.64	31,607.20
Equipment.....	<u>2,241,422.40</u>	<u>2,225,770.40</u>	<u>15,652.00</u>
Total maintenance and repairs.....	2,973,373.24	2,926,114.04	47,259.20
Power.....	2,001,050.20	2,169,958.90	(168,908.70)
Conducting trans- portation.....	11,119,861.24	10,993,179.54	126,681.70
General and miscellaneous.....	2,421,004.70	2,422,706.44	(1,701.74)
Payroll taxes.....	<u>231,077.18</u>	<u>206,487.02</u>	<u>24,590.16</u>
Total operating expenses before provision for accidents and depreciation.....	18,746,366.56	18,718,445.94	27,920.62
Provision for accident claims.....	1,518,945.72	1,567,375.97	(48,430.25)
Depreciation (Schedule "2").....	1,399,251.37	1,732,383.04	(333,131.67)
Rent of leased coaches.....	<u>293,805.09</u>	<u>293,805.09</u>	<u>293,805.09</u>
TOTAL OPERATING EXPENSES.....	<u>21,958,368.74</u>	<u>22,018,204.95</u>	<u>(59,836.21)</u>
LOSS FROM OPERATIONS (carried forward).....	\$ 1,502,347.59	\$ 930,661.66	\$ 571,685.93

Exhibit "B"
(continued)

MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF INCOME - (Continued)
FOR THE YEARS ENDED JUNE 30, 1956 AND 1955,
AND COMPARISON

	Year ended June 30, <u>1956</u>	<u>1955</u>	Increase (Decrease)
LOSS FROM OPERATIONS (brought forward).....	\$ <u>1,502,347.59</u>	\$ <u>930,661.66</u>	\$ <u>571,685.93</u>
OTHER EXPENSES - NET:			
Interest on bonded debt.....	227,698.57	249,193.47	(21,494.90)
Obsolescence of materials and supplies.....	6,291.62	1,055.76	5,235.86
Loss on fixed capital assets retired.....	<u>11,420.02</u>	<u>28,785.17</u>	(17,365.15)
	<u>245,410.21</u>	<u>279,034.40</u>	(33,624.19)
Less other income:			
Interest on bank balances.....	27,642.60	18,417.25	9,225.35
Gains from sales of fixed capital assets and sal- vage, and miscellaneous income.....	59,402.18	38,200.62	21,201.56
Net adjustments to prior years' losses (see footnote).....	<u>5,518.06</u>	<u>56,617.87</u>	<u>5,518.06</u>
	<u>92,562.84</u>	<u>56,617.87</u>	<u>35,944.97</u>
OTHER EXPENSES - NET.....	<u>152,847.37</u>	<u>222,416.53</u>	(69,569.16)
NET LOSS.....	\$ <u><u>1,655,194.96</u></u>	\$ <u><u>1,153,078.19</u></u>	\$ <u><u>502,116.77</u></u>

Note: Effective with the year ended June 30, 1956, adjustments to prior years' losses are being applied to other income and expense instead of directly to deficit from operations. Such adjustments originating in the year ended June 30, 1955 resulted in a net direct charge to deficit from operations in the amount of \$17,845.25. Had such adjustments been applied to other income and expenses the net loss for that year would have been \$1,170,923.44.

MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1956

CONTRIBUTED SURPLUS

Balance as of June 30, 1955.....	\$11,273,765.21
Contributions from General Fund of the City and County of San Francisco - from general taxes.....	3,098,178.09
Balance as of June 30, 1956.....	<u>\$14,371,943.30</u>

DEFICIT FROM OPERATIONS

Balance as of June 30, 1955.....	\$ 7,470,989.18
Loss from operations for the year ended June 30, 1956 (Exhibit "B").....	1,655,194.96
Balance as of June 30, 1956.....	<u>\$ 9,126,184.14</u>

MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1956

	Balance June 30, 1955	Additions	Retirements	Balance June 30, 1956
WAY AND STRUCTURES:				
Right of way.....	\$ 157,632.33			\$ 157,632.33
Other land.....	1,132,369.70			1,132,369.70
Grading.....	358,522.80		12,518.55	346,004.25
Ties.....	226,258.45	349.40	3,307.44	223,000.41
Rails, rail fastenings, and joints.....	1,233,846.35	665.17	1,725.15	1,232,786.37
Special track work.....	1,449,306.79	194.56	58,788.44	1,390,712.91
Underground construction.....	1,449,306.79	28,403.94	15,742.47	1,461,968.26
Underground and roadway floor.....	1,893,753.32	2,559.06	470,092.64	1,426,219.74
Paving.....	1,309,657.68		84,377.10	1,225,280.58
Roadway machinery and tools.....	67,449.54	1,723.32	1,162.44	67,990.42
Tunnels and subways.....	14,587.49			14,587.49
Bridges, trestles, and culverts.....	48,370.28			48,370.28
Signaling and interlocking apparatus.....	20,565.76			20,565.76
Communication systems.....	54,042.27			54,042.27
Poles and fixtures.....	1,555,751.67	1,557.66	22,267.05	1,535,042.28
Underground conduits.....	3,231,850.34	116.55	1,673.30	3,230,293.59
General office buildings, cable cars.....	21,080.00			21,080.00
Shops, carhouses, and garages.....	5,314,072.47			5,314,072.47
Stations, miscellaneous buildings, and structures.....	137,306.53			137,306.53
TOTAL WAY AND STRUCTURES.....	20,517,786.54	35,585.66	705,622.35	19,847,750.85
EQUIPMENT:				
Electric street cars.....	2,156,366.66			2,096,780.64
Cable cars.....	460,575.33			5,735,840.50
Motor coaches.....	6,611,551.31			875,711.09
Tramway coaches.....	7,155,584.00			85,415.50
Fare boxes.....	119,940.04			35,425.62
Service equipment, electric.....	1,102,194.51			7,155,584.00
Electric equipment of street cars and trolley coaches.....	228,446.34			46,453.00
Shop equipment.....	2,143.47	3,311.40		52,465.88
Automotive and miscellaneous service equipment.....	240,547.51	12,566.31	2,143.47	229,852.34
TOTAL EQUIPMENT.....	19,492,554.19	15,877.71	11,233.30	18,272,202.64
POWER:				
Substation buildings.....	367,222.17			367,222.17
Power plant equipment, cable cars.....	361,962.00			361,962.00
Substation equipment.....	720,901.36			720,901.36
Transmission system.....	7,086.76			7,086.76
TOTAL POWER.....	1,457,172.29			1,457,172.29
TOTALS.....	\$11,954,555.52	\$51,447.37	\$1,941,850.65	\$9,964,152.24

See Notes to Schedules "1" and "2".

MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1956

	Balance June 30, 1955	Depreciation for Year Ended June 30, 1956	Retirements	Balance June 30, 1956
WAY AND STRUCTURES:				
Ballast.....	\$ 304,456.48	\$ 30,621.85	\$ 12,518.55	\$ 322,559.78
Ties.....	251,641.46	7,072.08	3,307.44	255,406.10
Rails, rail fastenings, and joints.....	140,300.96	5,777.38	1,725.15	144,353.20
Gravel.....	835,588.96	22,623.95	54,673.25	803,539.66
Specific acquisition.....	1,897,022.28	1,101.90	415,755.88	1,482,404.20
Underground construction.....	842,427.83	56,819.54	70,092.64	829,154.73
Track and roadway labor.....	901,568.32	27,426.96	84,377.10	844,618.18
Paving.....	34,854.35	754.66	(571.01)	35,038.02
Roadway machinery and tools.....	3,231.10	108.37	3,356.47	3,183.00
Overhead systems.....	46,878.71	223.34	47,107.05	46,594.00
Bridges, trestles, and culverts.....	12,316.88	4,923.36	3,240.34	13,999.90
Crossings, fences, and signs.....	839,340.48	24,262.17	842,448.53	821,154.11
Signals and interlocking apparatus.....	287,713.53	7,444.76	21,153.72	289,162.09
Poles and structures.....	1,380,668.70	89,430.34	5,996.20	1,454,102.84
Underground conduit.....	2,234,579.19	105,293.98	11,755.76	2,328,017.41
Distribution system.....	71,057.06	5,591.56	2,339,973.07	76,688.62
General office buildings, cable cars.....	10,438,125.57	339,631.14	596,035.37	10,180,570.74
Stations, miscellaneous buildings, and structures.....				
TOTAL WAY AND STRUCTURES.....	10,438,125.57	339,631.14	596,035.37	10,180,570.74
EQUIPMENT:				
Electric street cars.....	1,327,777.58	58,778.41	57,186.02	1,329,369.97
Cable cars.....	452,939.33	343,281.87	66,415.50	386,523.83
Motor coaches.....	6,194,053.98	2,768,536.56	864,763.74	5,672,572.11
Tram cars.....	2,768,536.56	9,650.89	81,350.00	3,220,837.45
Power boxes.....	81,926.39	1,538.24	71,377.35	72,077.28
Service equipment, electric.....	116,829.84	20,351.93	45,988.77	91,192.00
Electric equipment of street cars and trolley coaches.....	775,415.87	30,351.93	705,108.07	470,659.73
Shop equipment.....	134,713.61	30,617.06	1,896.61	132,834.00
Shop equipment, office.....	386,743.21	10,671.68	583,468.36	323,947.53
Automotive and miscellaneous service equipment.....	161,253.88	19,682.19	170,264.39	170,671.68
TOTAL EQUIPMENT.....	12,619,730.37	986,758.74	1,218,912.05	12,387,577.06
POWER:				
Substation buildings.....	263,398.70	6,178.96	269,577.66	269,577.66
Power plant equipment, cable cars.....	349,184.10	618.60	349,802.70	349,802.70
Substation equipment.....	431,076.36	7,063.93	438,140.29	438,140.29
Transmission equipment.....	1,070,333.12	13,561.19	1,084,251.97	1,084,251.97
TOTAL POWER.....	2,114,092.28	17,322.68	2,191,772.62	2,191,772.62
TOTALS.....	\$23,612,302.47	\$1,914,956.02	\$1,914,956.02	\$23,612,302.47

See Notes to Schedule "1" and "2".

MUNICIPAL RAILWAY OF SAN FRANCISCO
NOTES TO SCHEDULES "1" and "2"
FOR THE YEAR ENDED JUNE 30, 1956

1. Fixed capital assets are stated at appraisal valuations at June 30, 1953, with subsequent additions at cost. Accumulated depreciation is stated at amounts determined by the appraisal of June 30, 1953, with subsequent additions based upon remaining useful lives determined by the appraisal or assigned to newly acquired assets.
2. Included in Way and Structures at June 30, 1956 are nonoperated track, roadway, and underground conduit, totaling \$76,979.99. These assets are fully depreciated. The amount of nonoperated assets carried in other classifications has not been determined.

MUNICIPAL RAILWAY OF SAN FRANCISCO
UNMATURED BONDED DEBT
AS OF JUNE 30, 1956

REHABILITATION ISSUE OF 1947:

	Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1956
Series A (dated February 1, 1948).....	2%	\$433,000	February 1, 1957-58	\$ 866,000
	2-1/2%	433,000	February 1, 1959-63	2,165,000
Series B (dated August 1, 1948).....	1-3/4%	123,000	August 1, 1956	123,000
	1-3/4%	559,000	August 1, 1957-58	1,118,000
	2%	559,000	August 1, 1959-60	1,118,000
	2%	580,000	August 1, 1961-63	1,680,000
Series C (dated March 1, 1949).....	1-1/2%	90,000	March 1, 1957	90,000
	1-1/2%	380,000	March 1, 1958	380,000
	1-1/2%	400,000	March 1, 1959-64	2,400,000
Series D (dated August 1, 1949).....	1-1/4%	105,000	August 1, 1956	105,000
	1-1/4%	104,000	August 1, 1957-60	416,000
	1-1/2%	104,000	August 1, 1961-64	416,000
Series E (dated November 1, 1949).....	3%	38,000	November 1, 1956	38,000
	1-1/4%	38,000	November 1, 1957-61	190,000
	1-1/2%	38,000	November 1, 1962-64	114,000
Series F (dated September 1, 1950).....	1%	690,000	September 1, 1956	690,000
Series G (dated March 1, 1952).....	1-1/4%	120,000	March 1, 1957-59	360,000
TOTAL UNMATURED BONDED DEBT.....				<u>\$12,269,000</u>

San Francisco School Department
(A Unified School District)



**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1956**

BENSON & NEFF

CERTIFIED PUBLIC ACCOUNTANTS

CROCKER BUILDING
SAN FRANCISCO 4

October 19, 1956

Honorable Harry D. Ross,
Controller, City and County of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the balance sheets of San Francisco Unified School District as of June 30, 1956 and the related statements of surplus and revenue and expenditures for the year then ended. These financial statements, attached hereto, are as follows:

EXHIBIT

Proprietary Balance Sheet, June 30, 1956	A
Statement of Surplus - Current Fund for the Year Ended June 30, 1956	B
Statement of Surplus - Capital Funds for the Year Ended June 30, 1956	C
Notes to Financial Statements	D
Statement of Revenue and Expenditures of the Current Fund for the Years Ended June 30, 1956 and 1955, and Comparison	E
Revenue for the Years Ended June 30, 1956 and 1955, and Comparison - Schedule 1	
Expenditures for the Years Ended June 30, 1956 and 1955, and Comparison - Schedule 2	
Funds Balance Sheet, June 30, 1956	F
Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet, June 30, 1956	G

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying balance sheets and related statements of surplus and revenue and expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1956 and the results of its operations for the year then ended, in conformity with generally accepted governmental accounting principles applied on a basis consistent with that of the preceding year.

Our report, program, and working papers relating to our examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

We submit our comments on the following pages preceding the financial statements.

Yours truly,

Benson & Neff

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results.

REVENUE AND EXPENDITURES

CURRENT FUND

A condensed comparative summary of revenue and expenditures of the Current Fund for the years ended June 30, 1956 and 1955 is presented below (figures rounded off to nearest thousand dollars):

	<u>YEAR ENDED JUNE 30,</u>		<u>INCREASE</u>
	<u>1956</u>	<u>1955</u>	<u>(DECREASE)</u>
Revenue:			
Property taxes and penalties.....	\$22,034,000	\$19,978,000	\$2,056,000
State of California:			
School funds apportionment.....	11,478,000	11,220,000	258,000
Retirement subventions.....	993,000	922,000	71,000
Other revenue.....	1,276,000	1,773,000	(497,000)
Auxiliary (indirect) revenue.....	515,000	463,000	52,000
Total revenue.....	<u>\$36,296,000</u>	<u>\$34,356,000</u>	<u>\$1,940,000</u>
Expenditures:			
Operating expenses.....	\$35,957,000	\$33,781,000	\$2,176,000
Net capital outlay from			
Current Fund.....	1,097,000	501,000	596,000
Total expenditures.....	<u>\$37,054,000</u>	<u>\$34,282,000</u>	<u>\$2,772,000</u>
Excess (deficiency) of revenue			
over expenditures.....	<u>\$ (758,000)</u>	<u>\$ 74,000</u>	<u>\$ (832,000)</u>

The school district tax rate was increased from approximately \$1.57 in 1955 to \$1.75 in 1956.

Revenues from the State School Fund consist of the share of state funds apportioned to the School District on the basis of average daily attendance, for certain excess expenses of educating handicapped children, and for automobile driver training. These revenues for the year ended June 30, 1956 are as follows:

	TOTAL	ELEMENTARY SCHOOLS	HIGH SCHOOLS	CITY COLLEGE
Total average daily attendance - residents (see Note 2).....	87,234	56,920	24,919	5,395
\$120 per pupil.....	\$10,468,080	\$6,830,400	\$2,990,280	\$647,400
Apportionment for 1 unit of average daily attendance transferred from Jefferson School District.....	\$ 171	\$ 171		
Apportionment based on increase in attendance over that of the prior year (see Note 3).....	\$ 250,411	\$ 190,029		\$ 60,382
Apportionment for excess expenses of educating handicapped children:				
Physically handicapped:				
Average daily attendance	935	794	141	
Extra expenses (not over \$400 per pupil).....	\$ 374,000	\$ 317,600	\$ 56,400	
Mentally retarded:				
Average daily attendance	1,285	766	519	
Extra expenses (not over \$150 per pupil).....	192,750	114,900	77,850	
Severely mentally retarded:				
Average daily attendance	130	130		
Extra expenses (not over \$400 per pupil).....	52,000	52,000		
Transportation expense of certain handicapped children:				
Average daily attendance	363	363		
Expense to district (not over \$350 per pupil)	114,093	114,093		
Total - handicapped children.....	\$ 732,843	\$ 598,593	\$ 134,250	
Automobile driver training:				
Number of pupils trained	880		880	
Apportionment (see Note 4).....	\$ 26,400		\$ 26,400	
Total.....	\$11,477,905	\$7,619,193	\$3,150,930	\$707,782

Notes:

- (1) Attendance and apportionment figures applicable to evening schools and the continuation school are included in the column for high schools above.
- (2) Average daily attendance of the previous year serves as the primary basis for apportionment in the current year. The average daily attendance listed in the above schedule is that of the year ended June 30, 1955.
- (3) The increase in average daily attendance is based on attendance reports for periods ended in December and April of the current school year. Amended period reports of attendance, which revise certain of the reports filed for the years ended June 30, 1954 and 1955 to correct technical and clerical errors, filed during the year, if accepted, will result in an increased apportionment of \$14,554 in the next fiscal year.
- (4) The apportionment for automobile driver training is the lower of:
 - (a) 75% of the actual cost, or
 - (b) \$30 times the number of pupils trained, or
 - (c) \$30 times the enrollment in grade 10,11, or 12, whichever is greater.

The following schedule shows a comparison of average daily attendance during the current year and the two preceding years:

	<u>1955-56</u>	<u>1954-55</u>	<u>1953-54</u>
Elementary schools.....	58,634	56,920	55,379
High schools.....	24,792	24,919	24,700
City college.....	<u>5,889</u>	<u>5,395</u>	<u>4,637</u>
Total.....	<u>89,315</u>	<u>87,234</u>	<u>84,716</u>

We have examined the reports submitted to the California State Department of Education as a basis for State apportionment in the fiscal year 1956-57 and have tested the records in support thereof to the extent necessary to satisfy ourselves that they fairly present the average daily attendance during the year ended June 30, 1956.

The following is a summary of average daily attendance during the year ended June 30, 1956, which will serve as the basis for apportionment in the fiscal year 1956-57:

	<u>TOTAL</u>	<u>ELEMENTARY SCHOOLS</u>	<u>HIGH SCHOOLS</u>	<u>CITY COLLEGE</u>
Total average daily attendance....	89,315	58,634	24,792	5,889
Increase in attendance.....	-----to be determined-----			
Handicapped children:				
Physically handicapped.....	856	716	140	
Mentally retarded.....	1,292	798	494	
Severely mentally retarded.....	126	126		
Requiring special transportation	361	361		
Automobile driver training -				
number of pupils trained.....	2,056		2,056	

The decrease in other revenue is substantially accounted for by a decrease of \$84,000 in tuition from other counties and districts, and a decrease of \$382,000 in Public Law 874 and other Federal aid and grants. Tuition received from Oakland Unified School District for students at City College was \$65,000 less than in the previous year.

With the exception of expenditures for maintenance and community services all major classifications of expenditures were higher in the year under review. Net capital outlay from current funds increased \$596,000, but \$341,000 of such increase is accounted for by the fact that that amount of proceeds of sales of lands and buildings was netted against the gross expenditures in the preceding year and there were no sales of land and buildings in the year ended June 30, 1956.

CHILD CARE CENTERS

25 Child Care Centers, with total enrollment of 1,233 children were in operation at June 30, 1956. The average daily number of children in attendance during the year then ended was 1,319. The total hours of child attendance for the years ended June 30, 1956 and 1955, and comparison, are as follows:

YEAR ENDED JUNE 30,	INCREASE
1956	1955 (DECREASE)

Hours of attendance:

Nursery (under 5 years, 9 months of age)	1,226,838	1,458,539	(231,701)
School age (5 years, 9 months of age and over).....	868,213	521,909	346,304
Total hours of attendance.....	2,095,051	1,980,448	114,603

The statement of revenue and expenditures of the Child Care Centers for the years ended June 30, 1956 and 1955, and comparison, is summarized as follows:

YEAR ENDED JUNE 30,	INCREASE
1956	1955 (DECREASE)

Revenue:

State apportionment.....	\$ 505,343	\$442,851	\$ 62,492
Fees from parents.....	331,201	335,646	(4,445)
District taxes.....	169,866	126,685	43,181
Federal grant.....	5,145		5,145
Miscellaneous.....	3,461	1,353	2,108
Total revenue.....	\$1,015,016	\$906,535	\$108,481

Expenditures:

Administration.....	\$ 62,932	\$ 58,204	\$ 4,728
Instruction.....	578,435	509,699	68,736
Auxiliary services.....	15,439	14,209	1,230
Operation.....	133,683	122,225	11,458
Maintenance.....	24,771	14,238	10,533
Fixed charges.....	10,759	6,174	4,585
Food.....	180,180	166,744	13,436
Capital outlay.....	15,165	8,369	6,796
Total expenditures.....	\$1,021,364	\$899,862	\$121,502

Excess (deficiency) of revenue over expenditures.....	\$ (6,348)	\$ 6,673	\$(13,021)
---	------------	----------	------------

COUNTY SCHOOL SERVICE FUND

The revenue and expenditures of the County School Service Fund for the year ended June 30, 1956 were as follows:

Revenue from State apportionment..... \$44,435

Expenditures:

Administration:

Office of County Superintendent of Schools	\$2,400	
Bureau of Research.....	9,770	\$12,170

Instruction:

Curriculum services.....	\$19,765	
Visual education.....	12,500	32,265 44,435

CAFETERIAS

Forty eight complete cafeteria units and 18 branch cafeteria units serviced from kitchens of the complete units were operated by the School District during the year ended June 30, 1956. The statement of income and expenses for the years ended June 30, 1956 and 1955, and comparison, is as follows:

	YEAR ENDED JUNE 30, 1956	1955	INCREASE (DECREASE)
Revenue:			
Sales - cafeterias.....	\$1,140,126	\$1,042,022	\$ 98,104
Sales - mid-morning lunches.....	162,710	188,955	(26,245)
Contribution from the Department of Public Health of the City and County of San Francisco for mid-morning milk.....	8,200	6,000	2,200
Federal grants:			
Current year.....	193,751	114,815	78,936
Additional amounts applicable to prior years.....	1,378	1,906	(528)
Other adjustments to recorded income of prior years - net.....	3,630	592	3,038
Total revenue.....	<u>\$1,509,795</u>	<u>\$1,354,290</u>	<u>\$155,505</u>
Expenses:			
Cost of food.....	\$ 914,384	\$ 816,370	\$ 98,014
Salaries.....	419,205	442,559	(23,354)
Student help meals.....	33,533	32,763	770
Supplies and expense.....	53,305	48,986	4,319
Central office expense.....		796	(796)
Provision for sick leave and vacations.....	57,587	35,934	21,653
Total expenses.....	<u>\$1,478,014</u>	<u>\$1,377,408</u>	<u>\$100,606</u>
Net income (loss).....	<u>\$ 31,781</u>	<u>\$ (23,118)</u>	<u>\$ 54,899</u>

Net income of the cafeterias, when the operations result in net income, is held in trust for cafeteria operations only and is not available for other activities.

STUDENT BODY FUNDS

The student body funds and all accounting records in support thereof are maintained at the schools and are subject to internal audit at regular intervals. We reviewed the audit procedures and working papers of audits made by the administrative office during the year and believe them to be adequate.

FUND FOR THE ADVANCEMENT OF EDUCATION

The trust agreement, under the terms of which the grant which established this fund was accepted, provides that on July 1, 1959 or upon any earlier termination of the agreement or termination of the project for recruitment and training of teachers, any portion of the grant not expended or committed for the recruitment and training of teachers shall be returned to the grantor.

Transactions of this Fund during the year ended June 30, 1956 are summarized as follows:

Cash on deposit with Treasurer, July 1, 1955.....	\$330,484
Expenditures:	
Fellowship payments (sustenance allowances)...	\$41,746
Consultants' fees.....	1,379
San Francisco State College:	
Student fees.....	\$ 3,979
Supervisor's salary and expenses...	10,910
Clerical costs.....	<u>301</u>
Capital outlays - equipment.....	685
Miscellaneous.....	<u>384</u>
	59,384
Cash on deposit with Treasurer, June 30, 1956.....	<u>\$271,100</u>

MIRANDA LUX FOUNDATION TRUST FUND

This fund was established on April 3, 1956 when the School District accepted a grant in the total amount of \$75,000 to establish a scientific laboratory for students of high school age. The grant is to be paid to the School District in installments of \$25,000 each on April 16, 1956, 1957, and 1958. If the agreement is terminated for any reason, any trust monies not

expended or legally committed and any valuable pieces of equipment purchased with trust monies are to be returned to the Miranda Lux Foundation.

No expenditures were made from this fund during the year ended June 30, 1956. The School District had made commitments for expenditures in the amount of \$7,166 as of June 30, 1956.

PROPRIETARY BALANCE SHEET

CASH - \$13,264,989

Cash belonging to the various funds of the District at June 30, 1956 was as follows:

Deposited with Treasurer:

School District current fund..... \$ 6,492,510

Capital funds:

1948 school bonds..... \$5,052,624

Real property..... 107,589 5,160,213

Special and trust funds:

Child Care Centers..... \$ 185,641

Cafeteria..... 294,292

Withholding tax..... 388,698

Teachers' sabbatical leave..... 3,350

Teachers' permanent retirement..... 19,820

Teachers' annuity..... 11,530

Veterans' education..... 30

Will C. Steinbrunn bequest..... 10,176

Anna Steinberg trust..... 903

Miranda Lux Foundation..... 25,000

Fund for the Advancement of Education..... 273,127 1,212,567

Total cash deposited with Treasurer..... \$12,865,290

Cash transfers outstanding..... \$ 390,109

Revolving funds:

School District current fund..... \$3,000

Cafeteria..... 1,550 4,550

Hume Foundation Trust Fund (deposited

with American Trust Company)..... 161 394,820

Total cash - School District..... \$13,260,110

Cash of the bond interest and redemption funds of the City and County of San Francisco (included in the proprietary balance sheet as an offset to bonds and interest payable):

Bond matured, unpaid..... \$ 1,000

Bond interest matured, unpaid..... 3,879 4,879

Total cash..... \$13,264,989

ACCOUNTS RECEIVABLE - \$1,657,884

A summary of the accounts receivable of the various funds of the District at June 30, 1956 is presented as follows:

Delinquent taxes and penalties:			
Secured.....	\$	237,823	
Unsecured.....		<u>442,496</u>	
Total taxes and penalties.....	\$	680,319	
Less reserve for unsecured taxes.....		<u>442,496</u>	\$ 237,823
Other accounts receivable:			
Current Fund:			
Federal grant for school construction...	\$1,125,478		
Tuition due from other counties and districts.....	185,005		
Federal subvention for aid to local education.....	42,658		
Federal subvention for vocational training of veterans.....	13,072		
Student teacher training program.....	7,600		
Salary overpayments.....	5,517		
Miscellaneous.....	<u>3,823</u>		\$1,383,153
Cafeterias:			
Federal grants.....	\$ 31,970		
Undeposited sales receipts.....	2,334		
Miscellaneous.....	<u>36</u>		34,340
Child Care Center - State apportionment.....			<u>2,568</u>
Total accounts receivable.....			<u>\$1,657,884</u>

The total amount of secured taxes and penalties receivable has been credited to income. All other receivables are covered by deferred credits and will be taken into income in the year of collection.

The account receivable, Federal grant for school construction, represents the balance of a grant in the amount of \$1,250,531 for the construction of Silver and Thomas Avenues Elementary School, to be received in future periods as the construction is completed.

Tuition due from other counties and districts consists of the following items:

Tuition for non-resident students at City College for the fiscal year 1955-56:		
Amount due but not billed as of June 30, 1956..	\$149,513	
Amount billed June 30, 1956.....	<u>34,724</u>	\$184,237
Other current items.....		286
Tuition for prior years not collected.....		<u>432</u>
Total.....		<u>\$185,005</u>

INVENTORIES

Stores - at cost - \$667,562
Shop inventory - at cost - \$34,520

Stores inventory consists of unissued supplies and furniture and fixtures stored at various warehouse locations. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1955, and at January 31, February 29, March 31, and June 30, 1956. The general ledger accounts were adjusted to agree with the physical inventories as of the dates of inventory counts; the total of the necessary adjustments resulted in an addition to the inventory accounts in the amount of \$13,909.

Shop inventory consists of the following items:

Refinished furniture not reissued.....	\$ 6,959
Shop orders in process.....	3,039
Materials and supplies.....	<u>24,522</u>
Total.....	<u>\$34,520</u>

FIXED CAPITAL PROPERTIES - \$105,338,305

Net additions to fixed capital properties during the year ended June 30, 1956 are summarized as follows:

	BUILDINGS AND			
	TOTAL	LAND	IMPROVEMENTS	EQUIPMENT
Additions per School				
District records:				
1948 school bond fund..	\$3,584,979		\$3,348,007	\$236,972
School current fund....	1,097,426	\$ 3,800	603,669	489,957
Child Care Centers.....	15,165			15,165
Real property fund.....	11,232	11,232		
Total.....	<u>\$4,708,802</u>	<u>\$ 15,032</u>	<u>\$3,951,676</u>	<u>\$742,094</u>
Less:				
Net reduction due to				
properties sold, ex-				
changed or otherwise				
disposed of (see				
Note).....	\$ 183,755	\$ 42,353	\$ 2,395	\$139,007
Other reconciling				
items.....	1,769	605	1,181	(17)
Total.....	<u>\$ 185,524</u>	<u>\$ 42,958</u>	<u>\$ 3,576</u>	<u>\$138,990</u>
Net additions (reductions)				
per Controller's				
records 1955-56.....	<u>\$4,523,278</u>	<u>\$(27,926)</u>	<u>\$3,948,100</u>	<u>\$603,104</u>

NOTE: The reduction for equipment sold, exchanged, or otherwise disposed of includes \$57,682 applicable to the preceding fiscal year.

We did not test additions acquired through the 1948 School Bond Fund inasmuch as this fund was subject to examination by other independent accountants engaged to examine the Controller's records.

BONDED DEBT - \$43,148,000

BOND INTEREST PAYABLE AND ACCRUED - \$242,430

A summary of the changes in bonded debt during the year ended June 30, 1956 as shown by the records of the Controller follows:

DATE OF ISSUE	INTEREST RATE	BALANCE JULY 1, 1955	REDEEMED	BALANCE JUNE 30, 1956
March 1, 1923	5%	\$ 3,604,000	\$ 303,000	\$ 3,301,000*
March 1, 1949	1-1/4	1,900,000	500,000	1,400,000
March 1, 1949	1-1/2	3,000,000		3,000,000
April 1, 1951	1-3/4	8,466,000	769,000	7,697,000
March 1, 1952	1-1/2	8,080,000	240,000	7,840,000
December 1, 1952	1-3/4	9,500,000	250,000	9,250,000
August 1, 1953	4	640,000	320,000	320,000
August 1, 1953	2-1/2	3,840,000		3,840,000
March 1, 1954	5-3/4	200,000	200,000	
March 1, 1954	1	400,000		400,000
March 1, 1954	1-1/4	1,000,000		1,000,000
March 1, 1954	1-1/2	800,000		800,000
March 1, 1954	1-3/4	400,000		400,000
April 1, 1955	6	300,000	100,000	200,000
April 1, 1955	1-3/4	3,700,000		3,700,000
Total.....		<u>\$45,830,000</u>	<u>\$2,682,000</u>	<u>\$43,148,000</u>

*Includes \$1,000 matured but unpaid.

Of the \$48,900,000 school bond issue approved by public vote in November 1948, \$990,000 remained unsold at June 30, 1956.

Bond interest payable and accrued at June 30, 1956 is summarized as follows:

Coupons matured - not presented for payment...	\$ 3,879
Interest accrued - not due.....	<u>238,551</u>
Total.....	<u>\$242,430</u>

The bonded debt and interest thereon are not reflected on the books of the School District as they are general obligations of the City and County of San Francisco, and are shown in the accompanying balance sheet only as a matter of record. In accordance with past practice the interest between the last coupon dates and the end of the fiscal year (\$238,551) has been treated as a deferred charge.

INSURANCE COVERAGE AND LIABILITY
FOR DAMAGE AND WORKMAN'S COMPENSATION CLAIMS

The following is a summary of the insurance in force at
June 30, 1956:

Fire and extended coverage - School District property
including contents:
Total coverage during the year ended June 30, 1955... \$78,486,000
Total coverage to be in effect during the year
beginning July 1, 1956..... \$82,567,000

Rental income - Lincoln Building:
Fire and extended coverage.... Actual rental, not
to exceed..... \$348,000

Loss of specific property (camera and borrowed property).... \$2,513

Automobiles (includes driver training program cars):
Bodily injury (including non-ownership coverage) \$200,000/\$500,000
Property damage..... \$100,000
Fire and theft..... Cash value
Collision (driver training vehicles only)..... \$50 deductible

Child Care Centers:
Bodily injury..... \$100,000/\$1,000,000
Property damage..... \$5,000/\$25,000

Boiler:
City College..... \$500,000
High schools, each..... \$250,000
All other schools, each..... \$100,000

Valuable records:
Other than money and securities..... \$50,000

Blanket fidelity bond - each loss..... \$25,000

Additional fidelity bond coverage:
Superintendent of Schools..... \$25,000
Chief of the Budget Division..... \$15,000
Supervisor of Accounts..... \$ 6,000
Board of Education members (each)..... \$ 2,500

Workman's Compensation - Child Care Centers..... Statutory

General liability:
Sub-leased portion of Union Furniture Company
warehouse..... \$100,000/\$200,000

The fire and extended coverage in effect is intended to be 90% of insurable value. An insurance survey as of May 1, 1956 shows total value of buildings and contents to be \$91,740,905. 90% thereof is \$82,566,815.

The School District does not carry general public liability insurance, nor does it carry workman's compensation insurance covering employees other than those of the Child Care Centers. The Retirement Board of the City and County of San Francisco has advised us that the liability for unsettled workman's compensation claims at June 30, 1956 is estimated to be approximately \$100,000. The legal adviser of the School District advised us that the contingent liability under other unsettled claims is estimated to be \$100,000.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET, JUNE 30, 1956

EXHIBIT A

ASSETS

	TOTAL	CURRENT FUND	CAPITAL FUNDS	SPECIAL AND TRUST FUNDS
CASH:				
On deposit with Treasurer.....	\$ 12,865,290	\$ 6,492,510	\$ 5,160,213	\$1,212,567
Cash transfers outstanding.....	390,109			390,109
Revolving funds.....	4,550	3,000		1,550
Bond interest and redemption funds (see Note 1).....	4,879	4,879		
Other - Hume Foundation.....	161			161
Total cash.....	<u>\$ 13,264,989</u>	<u>\$ 6,500,389</u>	<u>\$ 5,160,213</u>	<u>\$1,604,387</u>
ACCOUNTS RECEIVABLE:				
Delinquent taxes and penalties.....	\$ 680,319	\$ 677,622		\$ 2,697
Less reserve for unsecured property taxes.....	442,496	441,375		1,121
Remainder - secured taxes and penalties.....	\$ 237,823	\$ 236,247		\$ 1,576
Other accounts, subventions, etc. (contra).....	1,420,061	1,383,153		36,908
Accounts receivable - net.....	<u>\$ 1,657,884</u>	<u>\$ 1,619,400</u>		<u>\$ 38,484</u>
INTER-FUND ACCOUNTS.....	<u>\$ 3,362</u>	<u>\$ 3,362</u>		
INVENTORIES AND DEFERRED CHARGES:				
Stores- at cost.....	\$ 667,562	\$ 667,562		
Shop inventory - at cost.....	34,520	34,520		
Unexpired insurance.....	8,818	8,818		
Other supplies and expense.....	28,205	27,810		\$ 395
Bond interest accrued.....	238,551	238,551		
Uncompleted contracts and purchase orders (contra).....	5,866,381	1,003,602	\$ 4,838,707	24,072
Total inventories and deferred charges.....	<u>\$ 6,844,037</u>	<u>\$ 1,980,863</u>	<u>\$ 4,838,707</u>	<u>\$ 24,467</u>
FIXED CAPITAL PROPERTIES (see Note 1):				
Land.....	\$ 14,024,591		\$ 14,024,591	
Buildings and improvements.....	81,659,109		81,659,109	
Equipment.....	9,654,605		9,654,605	
Total fixed capital properties.....	<u>\$105,338,305</u>		<u>\$105,338,305</u>	
Total.....	<u>\$127,108,577</u>	<u>\$10,104,014</u>	<u>\$115,337,225</u>	<u>\$1,667,338</u>

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET, JUNE 30, 1956

EXHIBIT A

LIABILITIES AND SURPLUS

	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>CAPITAL FUNDS</u>	<u>SPECIAL AND TRUST FUNDS</u>
BOND INTEREST PAYABLE AND ACCRUED (see Note 1).....	\$ 242,430	\$ 242,430		
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants and payroll deductions outstanding.....	\$ 2,908,675	\$ 2,341,566	\$ 567,109	\$ 157,230
Accounts payable - materials and services.....	387,031	363,302		23,729
Uncompleted contracts and purchase orders (contra).....	5,866,381	1,003,602	4,836,707	74,072
Balance of withholding tax, and teachers' sabbatical leave, permanent, and annuity funds.....	419,208			419,208
Total accounts payable and commitments.....	\$ 9,581,295	\$ 3,708,470	\$ 5,403,816	\$ 671,239
INTER-FUND ACCOUNTS:				
Department of Public Works.....	\$ 229,268	\$ 225,239		\$ 4,029
Employees' Retirement System.....	369,883	369,883		
Other funds and city departments.....	66,034	62,382		3,652
Total inter-fund accounts.....	\$ 665,185	\$ 657,504		\$ 7,681
DEFERRED CREDITS (see Note 5):				
Accounts receivable (contra)....	\$ 1,420,061	\$ 1,383,153		\$ 36,908
Other.....	75	62		13
Total deferred credits.....	\$ 1,420,136	\$ 1,383,215		\$ 36,921
BONDED DEBT (see Note 1).....	\$ 43,143,000	\$ 1,000	\$ 43,147,000	
SURPLUS (Exhibits B and C and Note 2).....	\$ 72,051,531	\$ 4,111,395	\$ 67,341,043	\$ 196,400
 TOTAL.....	 \$127,108,577	 \$10,104,014	 \$115,377,223	 \$1,667,300

The notes are on Exhibit D.

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF SURPLUS - CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 1956

EXHIBIT B

Balance, July 1, 1955.....	\$4,869,607
Less excess of expenditures over revenue for the year ended June 30, 1956 - Exhibit E.....	<u>758,212</u>
Balance, June 30, 1956 (see Note 2).....	<u>\$4,111,395</u>

STATEMENT OF SURPLUS - CAPITAL FUNDS
FOR THE YEAR ENDED JUNE 30, 1956

EXHIBIT C

Balance per statement, July 1, 1955.....	\$63,444,272
Adjustment thereto - to correct the reported amount of bonded debt outstanding.....	<u>256,000</u>
Balance, July 1, 1955 (as corrected).....	\$63,700,272
Add:	
Capital outlay from non-capital funds, per School District records:	
School Current Fund.....	\$1,097,426
Child Care Centers Fund.....	<u>15,165</u>
Bonded debt matured during the year.....	<u>2,679,000</u>
Total.....	\$67,491,863

Less:

Cost or assigned book values of properties sold or otherwise retired (see Note 1).....	\$ 141,402	
Miscellaneous adjustments.....	<u>8,813</u>	<u>150,215</u>
Balance, June 30, 1956.....		<u>\$67,341,648</u>

The notes are on Exhibit D.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

- (1) Fixed capital properties and bonded debt and bond interest payable and accrued are not recorded in the accounts of the School District. The amounts shown in the foregoing balance sheet are those shown by the records of the Controller.

Bonded debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the School District. They are shown in the proprietary balance sheet because the proceeds of the bonds were used to acquire School District properties.

The amounts shown for fixed capital properties do not represent cost of properties and equipment presently owned by the School District. Certain of the properties are included at appraised value.

- (2) Surplus of the current fund at June 30, 1956 consists of the following:

Appropriations to be carried forward into the next year:			
Expenditures committed.....	\$	673,372	
Expenditures not yet committed -			
appropriation for Silver and			
Thomas Avenues Elementary School.....		1,907,554	
Other.....		<u>133</u>	\$2,581,059
Unappropriated:			
Available only for capital outlay purposes:			
Balance, July 1, 1955.....	\$	406,800	
Refund from Water Department - payment originally			
charged to capital outlay..		<u>455</u>	\$ 407,255
Available for general purposes.....		<u>1,123,081</u>	<u>1,530,336</u>
Total.....			<u>\$4,111,395</u>

A Federal grant receivable in future periods in the amount of \$1,125,478 will offset a portion of the appropriation for the Silver and Thomas Avenues Elementary School.

(Continued)

- (3) Contingent liability for personal injury claims is estimated by the legal advisor to the Board of Education to be \$100,000 at June 30, 1956.

Contingent liability for workmen's compensation claims pending at June 30, 1956 is estimated by the Retirement Board of the City and County of San Francisco to be approximately \$100,000.

- (4) Revenue, other than from secured taxes, is recorded only as monies are received by or for the credit of the School District. This practice is consistent with that of preceding periods.
- (5) The Board of Education accepted, during the year, a grant from the Rosenberg Foundation in the amount of \$3,500 for the Rosenberg Television Project. This grant is in the nature of a trust, but it has been carried as a part of the Current Fund for accounting purposes. \$3,343 of this amount was expended during the year and the remaining \$157 is included in the appropriations to be carried forward into the next year.

(Concluded)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT E

STATEMENT OF REVENUE AND EXPENDITURES
OF THE CURRENT FUND

FOR THE YEARS ENDED JUNE 30, 1956 AND 1955, AND COMPARISON

	<u>YEAR ENDED JUNE 30,</u>		<u>INCREASE</u>
	1956	1955	(DECREASE)
REVENUE - Schedule 1.....	\$36,295,734	\$34,355,999	\$1,939,735
OPERATING EXPENDITURES:			
Administration.....	\$ 1,033,357	\$ 929,492	\$ 103,865
Instruction.....	24,669,677	23,232,992	1,436,685
Auxiliary service.....	332,250	311,483	20,767
Operations.....	2,981,131	2,771,355	209,776
Maintenance.....	1,706,468	1,718,623	(12,155)
Fixed charges.....	3,947,194	3,653,816	293,378
Transportation of pupils.....	305,795	242,792	63,003
Food service.....	144,819	142,995	1,824
Community services.....	278,305	288,254	(9,949)
Tuition paid to other districts..	39,319	25,795	13,524
Total direct expenditures...	\$35,438,315	\$33,317,597	\$2,120,718
Auxiliary (indirect) services contributed by Department of Public Health.....	514,862	463,272	51,590
Rosenberg Television Project.....	3,343		3,343
Total operating expenditures - Schedule 2.....	\$35,956,520	\$33,780,869	\$2,175,651
REMAINDER.....	\$ 339,214	\$ 575,130	\$ (235,916)
NET CAPITAL OUTLAY FROM CURRENT FUNDS - Schedule 2.....	1,097,426	501,030	596,396
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES.....	\$ (758,212)	\$ 74,100	\$ (832,312)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FUNDS BALANCE SHEET, JUNE 30, 1956
(As shown by accounts of the Controller)

EXHIBIT F

ASSETS

	CASH		ACCOUNTS RECEIVABLE		CONSTRUCTION GRANT RECEIVABLE		UNPAID BONDS	INTER-FUND ACCOUNTS	INVESTMENT
	TOTAL	AVAILABLE							
SCHOOL DISTRICT CURRENT FUND.....	\$ 6,060,050	\$ 4,150,943		\$ 780,267	\$ 1,125,478				\$ 3,362
CAPITAL FUNDS:									
Real property.....	\$ 107,589	\$ 107,589					\$ 990,000		
1948 School Bond.....	6,032,754	5,042,754					\$ 990,000		
Total - capital funds.....	\$ 6,140,343	\$ 5,150,343							
SPECIAL AND TRUST FUNDS:									
Child Care Centers.....	\$ 121,962	\$ 116,697	\$ 5,265						
Cafeteria.....	236,663	202,323	34,340						
Withholding tax.....	385,691	385,691							
Teachers' Sabbatical Leave.....	2,302	2,302							
Teachers' Permanent.....	19,500	19,500							
Teachers' Annuity.....	11,715	11,715							
Teachers' Education.....	30	30							
Veterans' Education.....	15,176	10,176							\$ 5,000
Will C. Steinbrunn.....	903	903							
Anna Steinberg.....	25,000	25,000							
Miranda lux foundation.....	271,100	271,100							
Fund for the Advancement of Education.....	\$ 1,090,042	\$ 1,045,437	\$ 39,605						\$ 5,000
Total - special and trust funds.....	\$ 13,290,435	\$ 10,346,723	\$ 819,872		\$ 1,125,478		\$ 990,000	\$ 3,362	\$ 5,000
TOTAL.....									

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FUND BALANCE SHEET, JUNE 30, 1956
 (As shown by accounts of the Controller)

EXHIBIT F

LIABILITIES AND SURPLUS

	TOTAL	ENCUMBRANCES	INTER-FUND ACCOUNTS	RESERVE FOR DELINQUENT TAXES, PENALTIES, ETC.	FUND BALANCES		
					APPROPRIATED BUT UNENCUMBERED	UNAPPORTIONED	RETIREMENT, TRUST, AND AGENCY FUND BALANCES
SCHOOL DISTRICT CURRENT FUND.....	\$ 6,060,050	\$ 1,078,057	\$ 756,676	\$ 441,375	\$ 2,111,377	\$ 1,682,565	
CAPITAL FUNDS:							
Real Property.....	\$ 107,589	\$ 86			\$ 56,537	\$ 50,966	
1948 School Bond.....	6,032,750	6,704,332	\$ 31,476		1,252,938	441,008	
Total - capital funds.....	\$ 6,140,340	\$ 6,704,418	\$ 31,476		\$ 1,309,475	\$ 94,974	
SPECIAL AND TRUST FUNDS:							
Child Care Centers.....	\$ 121,962	\$ 33,940	\$ 3,467	\$ 1,121	\$ 5,013	\$ 78,421	
Cafeteria.....	236,663	31	95		5,000	231,537	
Withholding Tax.....	385,691						\$385,691
Teachers' Sabbatical Leave.....	2,302						2,302
Teachers' Permanent.....	19,500						19,500
Teachers' Annuit.....	11,715						11,715
Veterans' Education.....	30						30
Will O. Steinbrunn.....	15,176						15,176
Anna Steinberg.....	903						903
Miranda Lux Foundation.....	25,000	7,138					17,862
Bird for the Advancement of Education.....	271,100	10,672					260,428
Total - Special and Trust Funds.....	\$ 1,060,042	\$ 51,781	\$ 3,562	\$ 1,121	\$ 10,013	\$ 109,958	\$112,607
TOTAL.....	\$ 13,290,435	\$ 5,134,256	\$ 101,710	\$ 102,496	\$ 1,319,488	\$ 2,007,307	\$112,607

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1956

	ASSETS					INVESTMENTS	CAPITAL
	TOTAL	CASH	RECEIVABLES (OTHER THAN INTERFUND)	INTER-FUND ACCOUNTS	UNSAID BONDS	DEFERRED CHARGES	PROPERTIES
PROPRIETARY BALANCE SHEET							
(Exhibit A).....	\$127,108,577	\$13,264,989	\$1,657,884	\$3,362		\$6,844,037	\$105,338,305
ADD:							
Investments.....	\$ 5,000						
1948 School Bonds unsold.....	990,000				\$990,000		\$5,000
Reserve for unsecured property taxes.....	442,496		\$ 442,496				
Total additions.....	\$ 1,437,496		\$ 442,496		\$990,000		\$5,000
DEDUCT:							
Fixed capital properties.....	\$105,338,305						\$105,338,305
Warrants and payroll de- ductions outstanding.....	2,908,676	\$ 2,908,676					
Revolving funds.....	4,550	4,550					
Bond interest and redemption funds.....	4,879	4,879					
Hume Foundation Trust Fund....	161	161					
Accounts receivable:							
Tuition from other counties	149,513		\$ 149,513				
and districts not billed..	5,517		5,517				
Salary overpayments.....							
Inventories and deferred charges.....	6,844,037					\$6,844,037	
Total deductions.....	\$115,255,638	\$ 2,918,266	\$ 155,030			\$6,844,037	\$105,338,305
FUNDS BALANCE SHEET (Exhibit F).	\$ 13,290,435	\$10,346,723	\$1,945,350	\$3,362	\$990,000		\$5,000

(Continued)

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1956

LIABILITIES AND SURPLUS

	BOND INTEREST PAYABLE AND ACCURUED	ACCOUNTS ENCUMBRANCES	INTER-FUND ACCOUNTS	DEFERRED CREDITS	BONDED DEBT	BALANCE OF FUNDS
TOTAL						
PROPRIETARY BALANCE SHEET (Exhibit A).....	\$127,108,577	\$242,430	\$9,581,295	\$1,420,136	\$43,148,000	\$72,051,531
ADD (deduct):						
Investments.....	\$ 5,000					\$ 5,000
Inter-fund encumbrances.....		\$ (136,529)	\$136,529			990,000
1948 School Bonds unsold.....	990,000					990,000
Reserve for unsecured property taxes.....	442,496			\$ 442,496		
Total additions.....	\$ 1,437,496	\$ (136,529)	\$136,529	\$ 442,496		\$ 995,000
DEDUCT (add):						
Bonded debt, and surplus invested in fixed capital properties.....	\$105,338,305				\$43,147,000	\$62,191,305
Warrants and payroll deductions outstanding.....	2,908,676	\$2,908,676				(419,208)
Withholding tax, teachers' sabbatical leave, permanent, and annuity funds.....		419,208			1,000	4,550
Revolving funds.....	4,550					
Bonds matured, unpaid.....	1,000					
Bond interest matured, unpaid.....	3,879	\$ 3,879		\$ 155,030		(238,551)
Bond interest accrued, not due.....	238,551	238,551		1,265,031		161
Hume Foundation Trust Fund.....	161					
Accounts receivable deferred credits: Items not recorded in Controller's records.....	155,030			\$ 155,030		
Items credited to income by Controller. Other deferred credits not deferred by Controller.....				1,265,031		(1,265,031)
Inventories and deferred charges.....				75		(75)
Excess of accounts payable and encum- brances as shown by School District records over these obligations as shown by Controller's records.....	6,844,037					6,844,037
Total deductions.....	\$15,255,638	\$742,430	\$3,010,510	\$2,420,136	\$43,148,000	\$62,191,305
FUND BALANCE SHEET (Exhibit B).....	\$119,290,437	\$2,879,206	\$401,710	\$ 442,496		\$ 5,241,000
						\$ 2,747,000
						3,490,000
						713,000
Total.....						\$ 6,950,000

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 1

REVENUE OF THE CURRENT FUND FOR THE YEARS ENDED
JUNE 30, 1956 AND 1955, AND COMPARISON

	YEAR ENDED JUNE 30, 1956	1955	INCREASE (DECREASE)
PROPERTY TAXES AND PENALTIES.....	\$22,033,650	\$19,977,771	\$2,055,879
APPORTIONMENTS FROM STATE OF CALIFORNIA (see Note 4):			
Elementary schools.....	\$ 7,619,193	\$ 7,439,626	\$ 179,567
High schools and City College....	3,858,712	3,780,251	78,461
Retirement subventions.....	993,476	922,054	71,422
Total.....	\$12,471,381	\$12,141,931	\$ 329,450
OTHER REVENUE (see Note 4):			
San Francisco Housing Authority - in lieu of taxes.....	\$ 35,701	\$ 54,844	\$ (19,143)
Federal and state vocational education subvention.....	59,581	54,693	4,888
Reimbursement for veterans' vocational training.....	81,645	112,586	(30,941)
Tuition from other counties and districts.....	237,417	321,804	(84,387)
Rentals.....	356,781	362,940	(6,159)
Public Law 874 and other			
Federal aid.....	405,895	608,619	(202,724)
Federal construction grants.....		179,053	(179,053)
Miscellaneous.....	95,321	78,486	16,835
Total.....	\$ 1,272,341	\$ 1,773,025	\$ (500,684)
Total direct revenues.....	\$35,777,372	\$33,892,727	\$1,884,645
ROSENBERG FOUNDATION GRANT - TELEVISION PROJECT (see Note 5)..	3,500		3,500
AUXILIARY (INDIRECT) REVENUE:			
Services of physicians, dentists and nurses of the Department of Public Health.....	514,862	463,272	51,590
TOTAL REVENUE.....	\$36,295,734	\$34,355,999	\$1,939,735

The notes are on Exhibit D.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 2

EXPENDITURES OF THE CURRENT FUND

FOR THE YEARS ENDED

JUNE 30, 1956 AND 1955, AND COMPARISON

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1956	1955	
ADMINISTRATION:			
Salaries.....	\$ 775,011	\$ 758,367	\$ 16,644
Supplies.....	46,470	44,499	1,971
Travel expense.....	14,246	13,207	1,039
Miscellaneous.....	197,630	113,419	84,211
Total.....	<u>\$ 1,033,357</u>	<u>\$ 929,492</u>	<u>\$ 103,865</u>
INSTRUCTION - SALARIES:			
Supervision.....	\$ 447,783	\$ 446,463	\$ 1,320
Elementary schools.....	10,111,660	9,554,896	556,764
Special schools.....	556,898	569,836	(12,938)
Junior high schools.....	4,613,316	4,167,401	445,915
Senior high schools.....	4,325,459	4,205,929	119,530
Adult schools.....	859,430	816,881	42,549
Trade and industrial schools.....	397,973	373,192	24,781
Continuation school.....	172,141	172,178	(37)
City College.....	1,945,333	1,773,183	172,150
Total.....	<u>\$23,429,993</u>	<u>\$22,079,959</u>	<u>\$1,350,034</u>
INSTRUCTION - SUPPLIES AND OTHER EXPENSES:			
Educational supplies.....	\$ 694,254	\$ 635,515	\$ 58,739
Books.....	274,002	256,512	17,490
Travel expense.....	24,961	23,552	1,409
Miscellaneous.....	246,467	237,454	9,013
Total.....	<u>\$ 1,239,684</u>	<u>\$ 1,153,033</u>	<u>\$ 86,651</u>
AUXILIARY SERVICES:			
Compulsory education.....	\$ 174,313	\$ 165,953	\$ 8,360
Guidance service centers.....	99,572	94,350	5,222
Student placement service.....	24,302	23,502	800
Nurse service.....	10,680	9,840	840
Miscellaneous.....	23,383	17,838	5,545
Total.....	<u>\$ 332,250</u>	<u>\$ 311,483</u>	<u>\$ 20,767</u>
Total (forward).....	<u>\$26,035,284</u>	<u>\$24,473,967</u>	<u>\$1,561,317</u>

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
EXPENDITURES

SCHEDULE 2

	YEAR ENDED JUNE 30,		INCREASE
	1956	1955	(DECREASE)
Total (forward).....	\$26,035,284	\$24,473,967	\$1,561,317
OPERATION:			
Janitors, engineers and gardeners:			
Salaries.....	\$ 2,077,551	\$ 1,941,311	\$ 136,240
Supplies.....	129,276	122,062	7,214
Gas and electricity.....	379,073	334,765	44,308
Fuel.....	50,374	53,647	(3,273)
Water.....	58,098	56,342	1,756
Miscellaneous.....	286,759	263,228	23,531
Total.....	\$ 2,981,131	\$ 2,771,355	\$ 209,776
MAINTENANCE:			
Repairs:			
Buildings and grounds.....	\$ 1,379,332	\$ 1,427,342	\$ (48,010)
Janitors' equipment.....	9,277	3,391	5,886
Educational equipment.....	288,152	261,586	26,566
Miscellaneous.....	29,707	26,304	3,403
Total.....	\$ 1,706,468	\$ 1,718,623	\$ (12,155)
FIXED CHARGES:			
Rents.....	\$ 9,847	\$ 9,908	\$ (61)
Insurance.....	34,631	48,318	(13,687)
Compensation and accident claims.	41,365	39,328	2,037
Contributions to retirement system:			
City.....	3,819,848	3,506,598	313,250
State.....	45,960	44,820	1,140
Miscellaneous.....	(4,457)	4,844	(9,301)
Total.....	\$ 3,947,194	\$ 3,653,816	\$ 293,378
TRANSPORTATION OF PUPILS.....	\$ 305,795	\$ 242,792	\$ 63,003
FOOD SERVICE:			
Cafeteria supervision.....	\$ 69,106	\$ 67,202	\$ 1,904
Cafeteria maintenance.....	31,034	31,846	(812)
Free meals.....	27,268	22,019	5,249
Health classes and other expenses	17,411	21,928	(4,517)
Total.....	\$ 144,819	\$ 142,995	\$ 1,824
Total (forward).....	\$35,120,691	\$33,003,548	\$2,117,143

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
EXPENDITURES

SCHEDULE 7

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1956	1955	
Total (forward).....	\$35,120,691	\$33,003,548	\$2,117,143
COMMUNITY SERVICES:			
Recreation program.....	\$ 169,604	\$ 172,188	\$ (2,584)
Veterans' counseling.....	52,330	63,707	(11,377)
Civic Center activities.....	56,371	52,359	4,012
Total.....	\$ 278,305	\$ 288,254	\$ (9,949)
TUITION PAID TO OTHER DISTRICTS....	\$ 39,319	\$ 25,795	\$ 13,524
TOTAL DIRECT EXPENDITURES.....	\$35,438,315	\$33,317,597	\$2,120,718
AUXILIARY (INDIRECT) SERVICES			
CONTRIBUTED BY DEPARTMENT OF PUBLIC HEALTH:			
Medical inspection.....	\$ 82,477	\$ 90,401	\$ (7,924)
Dental inspection.....	62,564	49,289	13,275
Nurse service.....	369,821	323,582	46,239
Total.....	\$ 514,862	\$ 463,272	\$ 51,590
ROSENBERG TELEVISION PROJECT (see Note 5).....	\$ 3,343		\$ 3,343
TOTAL OPERATING EXPENDITURES.....	\$35,956,520	\$33,780,869	\$2,175,651
CAPITAL OUTLAY FROM CURRENT FUNDS:			
Land.....	\$ 3,800	\$ 37,289	\$ (33,489)
Buildings and improvements.....	603,669	318,034	285,635
Equipment.....	489,957	486,620	3,337
Total.....	\$ 1,097,426	\$ 841,943	\$ 255,483
Less sale of land and buildings..		340,913	340,913
NET CAPITAL OUTLAY FROM CURRENT FUNDS.....	\$ 1,097,426	\$ 501,030	\$ 596,396

The notes are on Exhibit D.

(Concluded)

**City and County of San Francisco
Employees' Retirement System**



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 1956

NEW YORK
CHICAGO
ATLANTA
BOSTON
CLEVELAND
DALLAS
DENVER
DETROIT
HOUSTON
KANSAS CITY
LOS ANGELES

ARTHUR YOUNG & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

120 MONTGOMERY STREET

SAN FRANCISCO 4

~~TELEPHONE 2-2743~~

GARFIELD 1-7412

MILWAUKEE
PHILADELPHIA
PITTSBURGH
SAN FRANCISCO
TOLEDO
TULSA
WICHITA
—
CANADA
ENGLAND
FRANCE
VENEZUELA

November 2, 1956

The Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California:

We have examined the statements of net assets and reserves to meet liabilities for benefits of San Francisco City and County Employees' Retirement System at June 30, 1956 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements described above present fairly the financial position of San Francisco City and County Employees' Retirement System at June 30, 1956 and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Summary of auditing procedures

In determining the extent of our auditing procedures, we took into consideration the accounting procedures and system of internal control of the Retirement System.

Cash on deposit with the Treasurer of the City and County of San Francisco was confirmed and reconciled to the amount shown by the books.

Amounts due from the City and County of San Francisco representing its contributions in the course of collection, and like amounts representing members' contributions in the course of collection, were confirmed and reconciled to the amounts shown by the books.

Investments in bonds were verified at June 30, 1956 by examination of the securities in the custody of the Treasurer of the City and County of San Francisco and by confirmation from appropriate agencies for bonds in the course of redemption. No compilation of market values was made.

Interest receivable on investments represented by interest coupons in the course of collection and by interest accrued was verified either by confirmation or calculation.

Statements of accumulated contributions as of June 30, 1956 were delivered from October 24 through October 29, 1956 to department heads for distribution to all members, requesting that we be advised of any inaccuracies. All reports of differences received to date were minor in number and amount and were delivered to officials of the Retirement System for investigation.

The records of operations for the year ended June 30, 1956 were reviewed. Tests were made of members' contributions with the payroll records of the Controller of the City and County of San Francisco. Disbursements to or for account of members for pension, withdrawal, or death, and for administrative expense were tested with the records of original entry and supporting data.

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMNET ASSETS JUNE 30, 1956

ASSETS:

Cash		\$ 2,781,380.49
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Receivables:

Employees' contributions in process of collection	\$ 646,820.37	
Contributions and reimbursements due from City and County of San Francisco		635,081.36
Bond interest accrued		<u>1,378,400.28</u>

Total receivables		2,660,302.01
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Bond investments, at cost less amortization:

(par value \$176,804,250)		
United States Government	67,725,883.69	
California municipalities, school districts, and other divisions		11,009,947.14
Municipalities other than California		4,776,499.11
Railroads		328,994.23
Railroad equipment trusts	20,465,061.03	
Railroad terminals	1,660,922.53	
Public utilities		<u>70,734,515.82</u>

Total bond investments at amortized value		<u>176,701,823.55</u>
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Total assets		182,143,506.05
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LIABILITIES:

Payable to City and County of San Francisco for unexpended tax appropriations	190,922.98	
Death benefits on deposit	19,442.86	
Other		<u>1,108.50</u>

Total liabilities		<u>211,474.34</u>
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NET ASSETS (Reserved for benefits - Exhibit A-1)

\$181,932,031.71

See accompanying notes to financial statements and report of Arthur Young & Company dated November 2, 1956

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMRESERVES TO MEET LIABILITIES FOR BENEFITS JUNE 30, 1956

RESERVES FOR CURRENT SERVICE BENEFITS

ALREADY GRANTED:

Service retirements provided from:

Members' contributions	\$ 9,756,072.16
------------------------	-----------------

City and County of San Francisco contributions	26,804,712.05
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Disability retirements provided from:

Members' contributions	861,754.13
------------------------	------------

City and County of San Francisco contributions	10,049,427.48
--	---------------

Industrial death allowances provided from:

Members' contributions	173,611.17
------------------------	------------

City and County of San Francisco contributions	<u>2,150,687.24</u>
--	---------------------

Total reserves for current service benefits already granted	49,796,264.23
---	---------------

RESERVES FOR CURRENT SERVICE BENEFITS

NOT YET GRANTED:

Members' accumulated normal contributions:

General	\$46,677,173.44
---------	-----------------

Police	5,734,947.78
--------	--------------

Fire	4,770,348.81
------	--------------

Members' accumulated additional contributions

<u>1,036,274.43</u>

58,218,744.46

City and County of San Francisco accumulated contributions

<u>63,181,121.14</u>

Total reserves for current service benefits not yet granted	121,399,865.60
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PRIOR SERVICE BENEFITS (Note 1)

GENERAL RESERVES:

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded	2,294,496.25
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Unallocated gains on sales of bonds	2,365,690.47
-------------------------------------	--------------

Contingency reserve against adverse experience	6,052,454.36
--	--------------

Unclaimed contributions of former members

<u>23,260.80</u>

Total general reserves	<u>10,735,901.88</u>
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Total reserves	<u>\$181,932,031.71</u>
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See accompanying notes to financial statements and report of Arthur Young & Company dated November 2, 1956

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMCHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1956

ADDITIONS TO RESERVES:

Contributions of members for
current service reserves:

Normal:

General	\$6,393,122.38	
Police	691,510.05	
Fire	<u>576,529.14</u>	\$ 7,661,161.57

Additional		83,830.00
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Redeposit of normal
contributions previ-
ously withdrawn

<u>15,131.64</u>	\$ 7,760,123.21
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Contributions of City and
County of San Francisco
for current service
reserves:

General	8,872,373.53	
Police	1,963,071.02	
Fire	<u>1,698,565.79</u>	12,534,010.34

Reimbursement by the City
and County of San
Francisco (contra):

Current service benefits:

Police	164,443.00	
Fire	<u>863,586.62</u>	1,028,029.62

Prior service benefits:

General	835,146.37	
Police	876,527.65	
Fire	<u>1,387,711.84</u>	<u>3,099,385.86</u>
		16,661,425.82

Other additions:

Bond interest earned	4,783,149.35	
Other	<u>2,858.66</u>	<u>4,786,008.01</u>

Total additions to reserves

29,207,557.04

See accompanying notes to financial statements and
report of Arthur Young & Company dated November 2, 1956

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1956

(Continued)

Total additions to reserves		\$ 29,207,557.04
DEDUCTIONS FROM RESERVES:		
Allowances and benefits paid:		
From contributions for current service reserves:		
Members	\$1,584,506.63	
City and County of San Francisco	3,808,897.35	
From reimbursements by the City and County of San Francisco (contra):		
Current service benefits	1,028,029.62	
Prior service benefits	<u>3,099,385.86</u>	\$ 9,520,819.46
Accumulated contributions withdrawn		1,355,443.08
Net interest transferred to the credit of death benefits on deposit		<u>491.05</u>
Total deductions from reserves		<u>10,876,753.59</u>
Net additions to reserves		18,330,803.45
RESERVES AT JUNE 30, 1955		<u>163,601,228.26</u>
RESERVES AT END OF YEAR		<u>\$181,932,031.71</u>

See accompanying notes to financial statements and report of Arthur Young & Company dated November 2, 1956

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS JUNE 30, 1956

- Note 1: All prior service benefits and certain current service benefits are a liability solely of the City and County of San Francisco and are not, therefore, included in the reserves to meet liabilities for benefits of the San Francisco City and County Employees' Retirement System.
- Note 2: The Charter of the City and County of San Francisco provides that the San Francisco City and County Employees' Retirement System is to act as the administrative agency in the matter of compensation insurance for all employees of the City. The Claims Adjuster estimated the future liability at June 30, 1956 of the City and County of San Francisco for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,350,000.
- Note 3: Administrative expenses of the San Francisco City and County Employees' Retirement System and compensation costs incurred as the administrative agency of the City and County of San Francisco for industrial compensation insurance, being liabilities of the City and County of San Francisco, do not, therefore, affect the reserves of the Retirement System. The following tabulation sets forth transactions of this nature for the year ended June 30, 1956:

Administrative expenses of the Retirement System		\$212,758
Compensation insurance costs incurred:		
Weekly benefits	\$151,295	
Medical expenses	214,332	
Premiums	3,138	
Administrative expense	<u>21,410</u>	
	390,175	
Less: Refunds from special funds and subrogation recoveries	<u>185,319</u>	<u>204,856</u>
Reimbursements received from the City and County of San Francisco		<u>\$417,614</u>

SUPPLEMENTAL INFORMATION

The San Francisco City and County Employees' Retirement System, hereafter referred to as "System," was established by the Board of Supervisors of the City and County of San Francisco, hereafter referred to as "City," on April 1, 1922, under authority of Article XVII of the Charter adopted at a general election on November 2, 1920. At that time the System provided for retirement allowances and death benefits for employees of the City other than uniformed members of the Police and Fire Departments and the San Francisco Unified School District. In 1925 membership was extended to include employees of the San Francisco Unified School District. Under the City Charter effective January 8, 1932, establishing the present name and administrative organization of the System, membership was extended to uniformed employees of the Police and Fire Departments. Prior to this time all such police and firemen were members of a separate pension plan. At June 30, 1956 there were approximately 19,000 employees and 4,500 retired members or their beneficiaries receiving monthly benefits.

Membership in the System is now compulsory for all full-time employees of the City and the San Francisco Unified School District, permanent civil service part-time employees, and certain elective officials. Hereafter in this report the use of the term "City" will include, wherever appropriate, the agencies employing members described in the preceding sentence.

Retirement benefits are based upon current service and prior service. Current service benefits fall into two categories; reserve and nonreserve; while past service benefits are in the non-reserve category only.

The reserve category of current service comprises contributions made by members and by the City, computed upon percentages of employees' earnings determined by the Consulting Actuary and based upon actuarial valuations made at intervals not exceeding six years. These percentages are approved by the Retirement Board. Upon approval of the Retirement Board, members have the right to make additional voluntary contributions but, for members who so elect, no additional contributions are required of the City. The total of normal and additional contributions is substantially limited to fifteen per cent of earnings.

The nonreserve category of current service benefits and all prior service benefits, being a liability solely of the City (except as indicated hereunder with respect to police under Section 166 of the City Charter), are not reflected in the statement of "Reserves to meet liabilities for benefits." Since the System administers these benefits, the payments made by it and the reimbursements thereof by the City appear as offsetting items in the statement of "Changes in reserves." That portion of the reimbursement based upon current services is for payments made to certain uniformed employees of the Fire Department under Section 169 of the City Charter. Similar payments for current service of uniformed employees of the Police Department, under Charter Section 166, include nominal contributions by these members.

In addition to retirement benefits based upon length of service, the System provides for the payment of disability pensions and allowances on account of service-connected death. Certain other death benefits are also available to beneficiaries of deceased members.

The cost of administering the System is a liability of the City. The Retirement Board acts as the administrative agency for the payment of compensation insurance to all employees of the City. For these reasons the administrative expense and compensation costs incurred are shown as notes on the statement of "Changes in reserves" rather than in the body of that statement.

The System is administered by the Retirement Board which has exclusive control of the funds of the System. The Board consists of the President of the Board of Supervisors, the City Attorney, a resident official of a life insurance company, and an officer of a bank, the latter two of whom are appointed by the Mayor, and three persons elected by and from the active membership. The Board appoints a Secretary and a Consulting Actuary.

The present members of the Retirement Board are John J. Ferdon, President of the Board of Supervisors; Dion R. Holm, City Attorney, whose designated representative is Norman S. Wolff, Assistant City Attorney; Harry J. Stewart of West Coast Life Insurance Company; and Belford Brown of First Western Bank and Trust Company. The three persons elected from the active membership are John F. Brady, President of the Retirement Board, William T. Reed, and William J. Murphy. Mr. Brady retired and was replaced by Martin F. Wormuth on July 1, 1956 at which time Harry J. Stewart became President of the Retirement Board. Ira G. Thompson is Secretary. Ralph R. Nelson was Consulting Actuary until May 1, 1956 when he retired. Until an appointment shall be made, Mr. Nelson is continuing to act in an advisory capacity on a voluntary basis.

CHANGES IN RESERVES

Except for minor differences which are being corrected, contributions of members and contributions by the City for current service reserves were made in accordance with rates recommended by the Consulting Actuary and approved by the Board. The City's contributions were based upon rates established by actuarial surveys as of June 30, 1951 and June 30, 1954, adjusted in accordance with subsequent amendments to the Charter, as follows:

<u>Department</u>	<u>Charter Section</u>	Effective July 1, 1955 to Mar. 31, 1956	Effective Apr. 1, 1956 to June 30, 1956	Effective July 1, 1956
Police Department	168.1	21.062%	21.576%	19.714%
Fire Department	171.1	21.662	21.662	26.651
Municipal Railway	165.2	6.502	6.714	5.913
Water Department	165.2	10.605	10.807	12.107
All other departments	165.2	12.553	12.724	12.563

The rates set forth above, which are to become effective July 1, 1956, were adopted by resolution of the Retirement Board on March 28, 1956.

Bond interest earned of \$4,783,149 represents interest collected or accrued plus the excess of amortization of discounts over premiums. The Board adopted by resolution dated April 23, 1947 and effective July 1, 1947, 2-1/2% as the rate of interest to be used under the System. On this basis \$4,050,714 was credited to members' and City's accumulated contributions accounts during the year ended June 30, 1956. The balance of \$732,435 was credited to the "Contingency reserve against adverse experience account" as explained under the caption "Reserves."

The allowances and benefits paid during the year are classified as follows:

Service retirements	\$6,481,009
Disability retirements	1,707,412
Industrial death allowances	627,586
Death benefits to members' beneficiaries	532,861
Death benefits to beneficiaries of retired members	<u>172,451</u>
Total	<u>\$9,521,319</u>

NET ASSETS

Cash

Cash is in the custody of the Treasurer of the City and County of San Francisco.

Certain warrants amounting to \$48,065 which were cancelled by the Controller's Department after they remained unpaid for a period of six months were carried as outstanding warrants in the accounts of the System and were deducted to arrive at the cash balance. Warrants comprising a substantial portion of the above sum have been outstanding more than the statutory period within which claims of this nature are legally enforceable.

Receivables

Employees' contributions in the process of collection, \$646,820, are amounts withheld from the employees' salaries for the month of June, 1956 and contributions for the months of May and June, 1956 to be remitted by the City in behalf of certain employees on military leave.

Contributions and reimbursements due from the City are summarized as follows:

Contributions for current service reserves due from public utilities and special funds	\$586,082
Contributions of policemen paid to the Police Relief and Pension Fund prior to January 8, 1932	45,185
Reimbursement for insurance compensation costs	3,514
Other	<u>300</u>
Total	<u>\$635,081</u>

The amounts due from public utilities and special funds are for the City's share of contributions for the months of May and June, 1956.

Funds contributed by policemen prior to January 8, 1932 to a former pension plan were not transferred to the System upon their admission to membership on that date. These contributions will be collected from the City upon the separation, death, or retirement of members of the former pension plan.

The amounts due for insurance compensation costs under the Labor Code of the State of California represent disbursements made by the System for account of various governmental departments.

Bond interest accrued, \$1,378,400, represents coupons in the process of collection and accrued interest computed from the interest dates of the respective bond issues.

Bond investments at cost less amortization

Bonds owned by the System are held in the joint custody of the Treasurer and the Controller of the City. The amount of \$176,701,824 represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the purchase dates to June 30, 1956.

None of the bonds owned appeared in default as to principal or interest. A letter of representation was obtained from Mr. Ira G. Thompson, Secretary of the System, to the effect that all bonds are of a character legal for investment by insurance companies in the State of California, the criterion for the System established by the Charter.

Liabilities

Unexpended tax appropriations, \$190,923, payable to the City is the excess of appropriations over requirements for the year ended June 30, 1956 and is analyzed as follows:

Balance June 30, 1955	\$	169,380	
Tax appropriation allocated to System for current year		<u>10,877,771</u>	
			11,047,151
Less:			
Unexpended appropriation for 1954/55 returned to General Fund	\$	169,380	
Charges for current and prior service benefits and other costs		<u>10,686,848</u>	<u>10,856,228</u>
Balance June 30, 1956			<u>\$ 190,923</u>

Opinion number 881 of the City Attorney, dated September 24, 1954, provides that the excess in appropriations made to the System subsequent to July 1, 1946 is to be returned to the General Fund in compliance with Section 80 of the Charter. Amounts of this nature accumulated prior to July 1, 1946 are retained in the reserves by the System.

Death benefits on deposit, \$19,443, represent sums payable monthly to beneficiaries of deceased members.

RESERVES TO MEET LIABILITIES FOR BENEFITS

Current service benefits already granted, \$49,796,264, represent the balance available for payment of pensions or allowances of retired and deceased members.

As previously explained, funds for the prior service portion of all benefits granted to retired members and the allowances for members retired under Sections 166 and 169 of the Charter, are not reflected in the reserves of the System but are reimbursed monthly by the City.

Current service benefits not yet granted, \$121,399,865, are comprised of the balances at June 30, 1956 of the accumulated members' contributions of \$58,218,744, including interest credited thereto, and accumulated contributions of the City, \$63,181,121, including interest.

Individual account balances are maintained by the System for accumulated members' contributions and interest. Separate accounts for individual members are not maintained for contributions of the City.

City contributions reserved for prior and current service not otherwise funded, \$2,294,496, consist of contributions made prior to July 1, 1946 by the City for police and firemen under Sections 166 and 169 of the Charter not required by reason of death or withdrawal of the members, together with contributions transferred since June 30, 1946 under "matching plans" as tabulated hereunder. Transfers are made from this reserve to the reserve for disability retirements in the amounts recommended by the Consulting Actuary to maintain the actuarial present cash value of that portion of the reserve pertaining to members retired under matching plans. This reserve is also reduced for certain death benefits and for the restoration of matching City contributions in connection with redeposit of contributions of members previously withdrawn. Changes during the year under review were as follows:

Balance at June 30, 1955		\$2,515,125
Increases:		
Matching contributions released on withdrawal of active members	\$ 24,269	
Matching contributions released on death of active members	25,350	
Interest credited to reserve	<u>113,702</u>	<u>163,321</u>
		2,678,446
Decreases:		
Amount allocated to the reserve for disability pensions:		
Required at June 30, 1956	2,364,315	
Required at June 30, 1955	<u>2,062,609</u>	
Increase in amount allocated	301,706	
Death benefits paid to beneficiaries of matching plan members	74,350	
Amount transferred on account of redeposit of members' contributions previously withdrawn	<u>7,894</u>	<u>383,950</u>
Balance at June 30, 1956		<u>\$2,294,496</u>

Unallocated gains on sales of bonds, \$2,365,690, represent that portion of gains from the sales of certain bonds, the proceeds of which were considered by the Retirement Board as re-invested in other bonds purchased. These gains are being distributed over the life of the bonds purchased as follows:

Gains realized from sales of bonds:	
Year ended June 30, 1943	\$ 400,421
" 1944	1,418,102
" 1945	3,207,543
" 1954	31,051
" 1955	<u>57,766</u>
	5,114,883
Applied for twelve years ended June 30, 1955	<u>2,556,853</u>
	2,558,030
Applied for year ended June 30, 1956	<u>192,340</u>
Unallocated gains at June 30, 1956	<u>\$2,365,690</u>

Contingency reserve against adverse experience, \$6,052,454, represents the excess of interest earned on bond investments over amounts credited annually to reserve accounts, as well as gains of \$2,768,082 from the sales of bonds in prior years. This reserve, established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, was approved by the Retirement Board on December 1, 1948.

Changes in the reserve during the year are:

Balance June 30, 1955		\$5,124,820
Excess of bond interest earned over amount credited to accumulated reserves for current service benefits:		
Earned	\$4,783,149	
Credited to reserves	<u>4,050,714</u>	732,435
Prior years' gains on sales of bonds applied during the year		192,340
Gain on bonds sold and called during the year		1,661
Interest earned on amount due from City for contributions of policemen paid to the Police Relief and Pension Fund prior to January 8, 1932		<u>1,198</u>
Balance June 30, 1956		<u>\$6,052,454</u>

Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1956

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

October 19, 1956

Mr. Harry D. Ross
Controller
City and County of San Francisco

OFFICE OF THE TREASURER
Examination of Accounts
Fiscal Year Ended June 30, 1956

Dear Sirs:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying report with schedules attached presents fairly the financial position of the Treasurer at June 30, 1956, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION

M. Steinbeck

MARTIN STEINBECK
SUPERVISING ACCOUNTANT

APPROVED:

Harry D. Ross
HARRY D. ROSS
CONTROLLER

REPORT OF EXAMINATION

The Treasurer's accountability for cash and securities at June 30, 1956, amounted to \$381,504,755.43 compared with the June 30, 1955 total of \$343,788,447.69.

<u>Cash and Securities</u>	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Cash and cash items	\$ 88,168,291.43	\$ 83,336,033.69
Securities (Par Value)	<u>293,336,464.00</u>	<u>260,452,414.00</u>
Total (Exhibit "A")	<u>\$381,504,755.43</u>	<u>\$343,788,447.69</u>

CASH AND CASH ITEMS \$88,168,291.43

Cash and cash items (Exhibit "A"), are summarized as follows:

<u>Cash and Cash Items</u>	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Cash and cash items on hand	\$ 1,617,766.82	\$ 1,573,909.04
Cash in banks	85,771,838.38	80,891,708.34
United States bonds (Par Value)	<u>55,250.00</u>	<u>102,900.00</u>
Total	\$ 87,444,855.20	\$ 82,568,517.38
Cash received after June 30, 1956 and applied to fiscal year 1955-56	<u>723,436.23</u>	<u>767,516.31</u>
Total	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>

The above \$88,168,291.43 was reconciled with the Controller's available cash of \$76,929,633.95; the difference of \$11,238,657.48 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

<u>Outstanding Items</u>	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants outstanding	\$9,300,457.30	\$1,849,202.68	\$11,149,659.98
Matured and unpaid bonds	3,000.00	24,200.00	27,200.00
Matured and unpaid coupons	<u>9,502.50</u>	<u>52,295.00</u>	<u>61,797.50</u>
Total	<u>\$9,312,959.80</u>	<u>\$1,925,697.68</u>	<u>\$11,238,657.48</u>

CASH AND CASH ITEMS ON HAND

The sum of \$1,617,766.82 consists of:

<u>Item</u>	<u>Amount</u>	<u>Comments</u>
Coin and currency	\$ 813,334.15	Verified by count.
Checks on hand for deposit	803,545.27	All current, deposited in bank July 2, 1956.
Due from Clearing House	<u>887.40</u>	Adjusted on the next day's clearing.
Total	<u>\$1,617,766.82</u>	

CASH IN BANKS \$85,771,838.38

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

Bank	Amount of Deposit			Per Cent
	Inactive	Active	Total	
American Trust Co.	\$ 4,000,000.00	\$ 2,433,609.47	\$ 6,433,609.47	7.50%
Bank of America	21,050,000.00	17,519,791.01	38,569,791.01	44.97%
Bank of California	4,250,000.00	3,167,863.82	7,417,863.82	8.65%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	1.17%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	1.17%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.58%
Crocker - Anglo Bank	8,875,000.00	5,487,821.21	14,362,821.21	16.75%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.52%
First Western Bank	2,500,000.00	2,025,832.81	4,525,832.81	5.27%
Hongkong and Shanghai Bank	250,000.00	250,000.00	500,000.00	.58%
Hibernia Bank	250,000.00	250,000.00	500,000.00	.58%
Pacific National Bank	750,000.00	1,000,000.00	1,750,000.00	2.04%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.58%
Wells Fargo Bank	4,000,000.00	3,411,920.06	7,411,920.06	8.64%
Total	<u>\$48,075,000.00</u>	<u>\$37,696,838.38</u>	<u>\$85,771,838.38</u>	<u>100.00%</u>
Percentage of Total	56.05%	43.95%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 53643:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year".

Supervisors' Resolution No. 3469, approved August 16, 1947, authorized the Treasurer to enter into the necessary agreements with the banks, as required by law for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

The amounts on deposit with the banks June 30, 1956, (Exhibit "A-1"), are within the limitations specified in Government Code Section 53638:

"The deposit shall not exceed the total of the paid-up capital and surplus, of any depository".

Interest totaling \$564,287.04 was earned on inactive deposit balances during the fiscal year.

UNITED STATES BONDS (PAR VALUE) \$55,250.00

United States Bonds representing Superior and Municipal Court bail deposits, include \$6,750.00 for which court orders for release or forfeiture were issued.

CASH RECEIVED AFTER JUNE 30, 1956 \$723,436.23

This item represents 1955-1956 collections which were deposited with the Treasurer in July 1956:

<u>Date Deposited</u>	<u>Amount</u>
July 2, 1956	\$553,163.23
July 3, 1956	90,045.88
July 5, 1956	<u>80,227.12</u>
Total	<u>\$723,436.23</u>

SECURITIES (PAR VALUE) \$293,336,464.00

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

<u>SECURITIES CHARGED TO THE TREASURER</u>	<u>Par Value</u>	<u>Controller's Book Value</u>
<u>BONDS:</u>		
Employees' Retirement Fund	\$176,804,250.00	\$176,701,453.88
Bequest Funds	277,500.00	278,102.50
Trust Funds	15,000.00	15,585.00
Deposit on Leases	109,000.00	109,000.00
Miscellaneous	<u>1,475.00</u>	<u>1,475.00</u>
Total	<u>\$177,207,225.00</u>	<u>\$177,105,616.38</u>
<u>CORPORATE STOCK:</u>		
Bequest Funds	\$ 239.00	\$ 2,094.25
Deposit on Leases	<u>4,000.00</u>	<u>5,000.00</u>
Total	<u>\$ 4,239.00</u>	<u>\$ 7,094.25</u>

SECURITIES NOT CHARGED TO THE TREASURER

Collateral Securities	<u>\$116,125,000.00</u>	<u>\$112,779,106.63 (1)</u>
Total, June 30, 1956	<u>\$293,336,464.00</u>	<u>\$289,891,817.26</u>

(1) Market Value

BONDS (PAR VALUE) - EMPLOYEES' RETIREMENT FUND \$176,804,250.00

Verification and physical count of bonds was made in conjunction with representatives of Arthur Young & Co., Certified Public Accountants, in connection with audit of the Employees' Retirement System.

Pursuant to the Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1955-1956 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board, as requested in their memorandum dated August 6, 1933.

Transactions during the year under review are summarized as follows:

Balance, June 30, 1955	\$158,319,000.00
Purchases	<u>18,812,000.00</u>
	\$177,131,000.00
Less: Bonds matured, called, or sold	<u>326,750.00</u>
Balance, June 30, 1956	<u><u>\$176,804,250.00</u></u>

BONDS (PAR VALUE) - BEQUEST AND TRUST FUNDS \$292,500.00 (EXHIBIT "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

During the fiscal year the Robinson and Windel Bequest Funds redeemed \$5,000.00 and \$15,000.00 par value U. S. Savings Bonds, respectively, maturing February 1, 1956.

BONDS (PAR VALUE) - DEPOSITS ON LEASES \$109,000.00 (EXHIBIT "A-2")

These bonds represent security on various leases of City and County property.

BONDS (PAR VALUE) - MISCELLANEOUS \$1,475.00 (EXHIBIT "A-2")

The above represents deposits by various City and County departments for safe-keeping.

CORPORATE STOCK - \$4,239.00 (EXHIBIT "A-2")

Corporate Stock consists of \$239.00 in bequest funds and a \$4,000.00 lease deposit.

COLLATERAL SECURITIES - (PAR VALUE BONDS) \$116,125,000.00 (EXHIBIT "A-1")

The securities consist of Federal, State, or other Government Bonds of a type required by Government Code Section 53651 and approved by the Treasurer and City Attorney, in accordance with Government Code Section 53655.

Government Code Section 53657 provides:

"The market value of the securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities".

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1956 were less than the face value of the collateral deposited; the market value of said collateral exceeded the amount of the deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS - UNSOLD (UNISSUED) \$118,460,000.00

Unsold (Unissued) City and County Bonds at June 30, 1956 represent the remainder of issues authorized by the electorate, as follows:

	Total <u>Authorized</u>	<u>Sold</u>		<u>Unsold</u> <u>June 30, 1956</u>
		<u>Prior to</u> <u>1955-1956</u>	<u>During</u> <u>1955-1956</u>	
<u>Authorized Nov. 4, 1947</u>				
1947 Street Improvement	\$ 22,850,000	\$15,900,000	\$ 1,250,000	\$ 5,700,000
1947 Recreation Bond	12,000,000	9,330,000	1,500,000	1,170,000
1947 Off-Street Parking	5,000,000	1,000,000	2,000,000	2,000,000
<u>Authorized June 1, 1948</u>				
1948 Sewage Treatment	15,000,000	13,550,000	1,000,000	450,000
<u>Authorized Nov. 2, 1948</u>				
1948 Schools	48,890,000	47,900,000		990,000
<u>Authorized Nov. 4, 1952</u>				
1952 Fire House	4,750,000	1,800,000	1,000,000	1,950,000
<u>Authorized June 8, 1954</u>				
1954 Sewer	12,645,000		2,500,000	10,145,000
<u>Authorized Nov. 2, 1954</u>				
1954 Laguna Honda Home and Hospital	5,475,000		2,500,000	2,975,000
1954 Exhibit Hall	3,275,000			3,275,000
1954 Recreation Center	5,000,000			5,000,000
1954 S. F. Hospital	5,830,000		1,500,000	4,330,000
<u>Authorized Nov. 8, 1955</u>				
1955 Playgrounds and Recreation Centers	7,000,000			7,000,000
1955 Hetch Hetchy Power	54,000,000			54,000,000
<u>Authorized June 5, 1956</u>				
1956 Hall of Justice	19,475,000			19,475,000
Total	<u>\$221,190,000</u>	<u>\$99,480,000</u>	<u>\$13,250,000</u>	<u>\$118,460,000</u>

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of the bonds when a sale has been made by the Board of Supervisors.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designates the First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purpose of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensation earned during the year ended June 30, 1956, follows:

	Par Value Paid and Cancelled	Compensation	
		Authorized Rate	Earned 1955-1956
Bonds	\$7,599,000.00	1/20 of 1%	\$ 3,799.50
Coupons (181,785)	<u>2,377,411.25</u>	4¢ each	<u>7,271.40</u>
Total	<u>\$9,976,411.25</u>		<u>\$11,070.90 (1)</u>

(1) Includes \$1,673.34 for last quarter, which was paid August 2, 1956.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by Board of Supervisors' Resolution Nos. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the year for City and County employees was \$626,343.75 as compared with \$610,050.00 for the years 1954-1955.

REVENUES AND EXPENDITURES (EXHIBIT "B")

Revenues exceed expenditures and encumbrances by \$479,909.71. A comparison with the prior fiscal year follows:

Revenues	1955-56	1954-55
Interest earned on inactive bank deposits	\$564,287.04	\$541,647.38
Commissions received on Inheritance Tax Collections	\$59,187.08	37,709.59
Less: Deferred to 1956-57	<u>19,187.08</u>	40,000.00
Other Fees	119.00	99.00
Conscience Money	<u>177.00</u>	<u>831.00</u>
Total	604,583.04	580,286.97
<u>Expenditures and Encumbrances</u>		
Per Controller's records	<u>124,673.33</u>	<u>119,144.81</u>
Net Revenues	<u>\$479,909.71</u>	<u>\$461,142.16</u>

A five year comparative statement of revenues, expenditures and encumbrances is reflected on Exhibit B.

INTEREST EARNED ON INACTIVE BANK DEPOSITS \$564,287.04

In accordance with Government Code Sections 53645 and 53649, interest is computed at rates specified in depository agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	1955-1956 Budget <u>Estimate</u>	Interest Earned	
		<u>1955-1956</u>	<u>1954-1955</u>
General Fund	\$500,000.00	\$518,187.09	\$506,123.94
Municipal Railway Operating	<u>15,000.00</u>	<u>27,642.60</u>	<u>18,417.25</u>
Total	\$515,000.00	\$545,829.69	\$524,541.19
Water Operating	<u>18,465.00</u>	<u>18,457.35</u>	<u>17,106.19</u>
Total	<u>\$533,465.00</u>	<u>\$564,287.04</u>	<u>\$541,647.38</u>

The \$27,642.60 credited to Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$545,829.69, on the basis of the Treasurer's daily balances in that fund.

The \$18,457.35 credited to Water Operating Fund was earned on two inactive bank accounts used exclusively for Water Department Funds.

COMMISSIONS ON INHERITANCE TAX COLLECTIONS \$40,000.00

Inheritance Tax Commissions and settlements with the State for the 12 months ending May 31, 1956, are summarized as follows:

Inheritance tax collections		\$4,255,156.79
Less disbursements:		
Payments to the State	\$4,015,072.37	
Refunds	161,122.10	
Appraiser's fees	<u>19,775.24</u>	<u>4,195,969.71</u>
Commissions received		59,187.08
Less: Deferred to fiscal year 1956-57		<u>19,187.08</u>
Commissions earned fiscal year 1955-56		<u>\$ 40,000.00</u>

Accounts maintained for Inheritance Tax purposes are recorded on State controlled prenumbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, the maximum commissions a Treasurer of a county of the second class may retain is \$40,000.00 for a calendar year. The amount of \$59,187.08 was received during the fiscal year ended June 30, 1956, of which the sum of \$19,187.08 was deferred to fiscal year 1956-57 on the Controller's records.

OTHER FEES \$119.00

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "Listing contents of a Safe Deposit Box" is collected in accordance with Section 14144 and 14346 of the Revenue and Taxation Code.

CONSCIENCE MONEY \$177.00

This represents various remittances received from unidentified sources and classified as "Conscience Money".

EXPENDITURES AND ENCUMBRANCES \$124,673.33

Expenditures and encumbrances, compared with budget appropriations for 1955-56 are as follows:

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent salaries	\$107,095.68	\$107,043.00
Allowance for overtime	500.00	243.01
Contractual services	14,161.00	14,160.98
Use of Employees' cars	300.00	299.36
Materials and supplies	1,678.00	1,664.17
 <u>By Purchaser</u>		
Materials and supplies	142.00	134.27
Contractual services	<u>1,300.00</u>	<u>1,128.54</u>
 Total	<u>\$125,176.68</u>	<u>\$124,673.33</u>

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit "E".

Notes:

Exhibits A-1, A-2, D and E reflect detail of transactions presented in summary form in the body of the foregoing report. They have not been reproduced in this publication.

SUMMARY OF CASH AND SECURITIES

	<u>June 30th</u>	
	<u>1956</u>	<u>1955</u>
<u>CASH AND CASH ITEMS</u>		
<u>CASH AND CASH ITEMS ON HAND</u>		
Coin and currency	\$ 813,334.15	\$ 952,938.94
Checks on hand for deposit	803,545.27	620,141.15
Due from Clearing House	887.40	828.95
Total	<u>\$ 1,617,766.82</u>	<u>\$ 1,573,909.04</u>
<u>CASH IN BANKS</u>		
Active accounts	\$ 37,696,838.38	\$ 33,316,708.34
Inactive accounts	48,075,000.00	47,575,000.00
Total	<u>\$ 85,771,838.38</u>	<u>\$ 80,891,708.34</u>
<u>UNITED STATES BONDS (FACE VALUE)</u>	<u>\$ 55,250.00</u>	<u>\$ 102,900.00</u>
<u>CASH RECEIVED AFTER JUNE 30, 1956 AND APPLIED TO THE FISCAL YEAR 1955-1956</u>	<u>\$ 723,436.23</u>	<u>\$ 767,516.31</u>
Total (Exhibits "C" and "D")	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>
<u>SECURITIES</u>		
<u>BONDS (PAR VALUE)</u>		
Collateral from banks (Exhibit "A-1")	\$116,125,000.00	\$101,706,000.00
Employees' Retirement Fund	176,804,250.00	158,319,000.00
Bequest funds and miscellaneous deposits	278,975.00	298,975.00
Trust funds	15,000.00	15,000.00
Deposits on leases	109,000.00	108,000.00
Total	<u>\$293,332,225.00</u>	<u>\$260,446,975.00</u>
<u>STOCKS (PAR VALUE)</u>		
Deposit on lease	\$ 4,000.00	\$ 5,000.00
Bequest funds	239.00	439.00
Total	<u>\$ 4,239.00</u>	<u>\$ 5,439.00</u>
Total	<u>\$293,336,464.00</u>	<u>\$260,452,414.00</u>
Total cash and securities	<u>\$381,504,755.43</u>	<u>\$343,788,447.69</u>

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

	Fiscal Year Ended June 30th				
	1956	1955	1954	1953	1952
REVENUES					
Interest earned on the deposit of public funds	\$564,237.04	\$541,647.38	\$615,018.93	\$564,398.07	\$561,932.81
Commissions on Inheritance Tax Collections	40,000.00(1)	37,709.59	31,211.21	31,733.98	39,202.02
Duplicate "Inheritance Tax Receipt" fees, etc.	119.00	99.00	86.00	111.00	89.50
Conscience money	177.00	831.00	130.00	237.11	534.00
Total	\$604,593.04	\$580,286.97	\$646,446.14	\$596,480.16	\$601,758.33
EXPENDITURES AND ENCUMBRANCES					
Permanent salaries	\$107,043.00	\$101,425.90	\$ 96,285.00	\$ 95,683.52	\$ 89,886.30
Allowance for overtime	243.01	293.24	457.11	755.38	776.54
Contractual services	4,517.98	3,616.67	2,219.87	2,169.07	1,562.29
Fiscal Agent - New York	11,070.90(2)	11,616.92	11,750.00	13,325.00	14,700.00
Materials and supplies	1,798.44	1,655.14	1,667.21	1,231.12	1,585.15
Equipment		536.94	-	485.91	1,324.91
Total	\$124,673.33	\$119,144.81	\$112,389.19	\$114,280.00	\$110,725.19
Net revenues					
(1) Received	\$59,187.08				
Deferred to 1956-57	19,187.28				
Earned	<u>\$40,000.00</u>				
(2) Includes \$1,673.34, fourth quarter. Paid August 2, 1956		\$461,142.16	\$534,056.95	\$482,200.16	\$491,023.14

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>	<u>Fiscal Year Ended June 30th</u>	
	<u>1956</u>	<u>1955</u>
<u>CASH BALANCE - BEGINNING OF YEAR</u>	<u>\$ 83,336,033.69</u>	<u>\$ 84,846,611.76</u>
<u>RECEIPTS</u>		
Receipts	\$250,305,239.34	\$237,110,692.49
Journal transfers (Contra)	<u>245,116,842.77</u>	<u>237,260,514.39</u>
Total	<u>\$495,422,082.11</u>	<u>\$474,371,206.88</u>
Total Balance and Receipts	<u>\$578,758,115.80</u>	<u>\$559,217,818.64</u>
<u>DISBURSEMENTS</u>		
Cash disbursements	\$245,472,981.60	\$238,621,270.56
Journal transfers (Contra)	<u>245,116,842.77</u>	<u>237,260,514.39</u>
Total	<u>\$490,589,824.37</u>	<u>\$475,881,784.95</u>
<u>CASH BALANCE - END OF YEAR (EXHIBITS "A" and "D")</u>	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>	<u>Fiscal Year Ended June 30th</u>	
	<u>1956</u>	<u>1955</u>
<u>CURRENT FUNDS</u>		
Cash balance - Beginning of year	\$ 49,555,140.68	\$ 45,627,318.80
Cash receipts	196,226,197.37	190,477,722.91
Journal transfers	221,508,837.97	213,599,956.26
Total Available	<u>\$467,290,176.02</u>	<u>\$449,704,997.97</u>
Cash disbursements	\$176,301,706.24	\$170,421,580.25
Journal transfers	234,226,236.03	229,728,277.04
Total Disbursements	<u>\$410,527,942.27</u>	<u>\$400,149,857.29</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 56,762,233.75</u>	<u>\$ 49,555,140.68</u>
<u>CAPITAL FUNDS</u>		
Cash balance - Beginning of Year	\$ 25,188,602.60	\$ 32,252,270.46
Cash receipts	14,359,386.70	8,286,221.46
Journal transfers	5,615,748.31	5,576,405.84
Total Available	<u>\$ 45,163,737.61</u>	<u>\$ 46,114,897.76</u>
Cash disbursements	\$ 12,323,462.63	\$ 15,863,641.41
Journal transfers	9,947,842.08	5,062,653.75
Total Disbursements	<u>\$ 22,271,304.71</u>	<u>\$ 20,926,295.16</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 22,892,432.90</u>	<u>\$ 25,188,602.60</u>
<u>TRUST AND ASSESSMENT FUNDS</u>		
Cash balance - Beginning of year	\$ 8,592,290.41	\$ 6,967,022.50
Cash receipts	39,719,655.27	38,346,748.12
Journal transfers	17,992,256.49	18,084,152.29
Total Available	<u>\$ 66,304,202.17</u>	<u>\$63,397,922.91</u>
Cash disbursements	\$ 56,847,812.73	\$52,336,048.90
Journal transfers	942,764.66	2,469,583.60
Total Disbursements	<u>\$ 57,790,577.39</u>	<u>\$54,805,632.50</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 8,513,624.78</u>	<u>\$ 8,592,290.41</u>
TOTAL CASH ON HAND (EXHIBIT "A" and "D")	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>

Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1956

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

November 9, 1956

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1956

Dear Sirs:

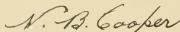
Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

- Exhibit A - Balance Sheet, June 30, 1956
- Exhibit B - Statement of Surplus for the year ended June 30, 1956
- Exhibit C - Statement of Income and Expense for the years ended June 30, 1956 and June 30, 1955
- Schedule C-1- Miscellaneous Additions to and Deductions from Income for the year ended June 30, 1956
- Exhibit D - Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities, for the years ended June 30, 1956 and June 30, 1955

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

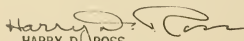
In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1956, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,



Nathan B. Cooper
Supervisor, Utility Audits

Approved:



HARRY D. ROSS
CONTROLLER

EXHIBIT A

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1956

A S S E T S

Fixed Capitals:			
In service	\$50,146,821.57		
Less reserve for depreciation	<u>7,887,858.54</u>		
Net book value	\$42,258,963.03		
Under construction	<u>22,482.52</u>	\$42,281,445.55	
Cash:			
On deposit with City and County Treasurer	\$ 1,512,364.20		
Revolving fund	<u>2,500.00</u>	1,514,864.20	
Accounts Receivables:			
Estimated federal grants	\$89,414.00		
Less: Reserve for estimated federal grants	<u>89,414.00</u>	-0-	
Revenues accrued and other receivables (net)	\$ 319,716.21	319,716.21	
Interfund Accounts:			
Due from general city and county	\$ 3,068.76		
Due from other public service enterprises	<u>679.64</u>	3,748.40	
Deferred Charges:			
Materials and supplies	\$ 14,139.72		
Commitments (contra)	187,386.62		
Other deferred items	<u>34,887.16</u>	236,413.50	
Total Assets		<u>\$44,356,187.86</u>	

L I A B I L I T I E S A N D S U R P L U S

Bonded Debt:			
Maturing within year ending June 30, 1957	\$ 2,379,000.00		
Maturing Sept. 1, 1957 through April 1, 1966	<u>8,747,000.00</u>	\$11,126,000.00	
Bond Interest:			
Matured coupons not presented for payment	\$ 2,511.25		
Accrued, not due	<u>36,794.79</u>	39,306.04	
Accounts Payable:			
Outstanding warrants	\$ 85,010.47		
General creditors	27,122.38		
Commitments (contra)	<u>187,386.62</u>	299,519.47	
Interfund Accounts:			
Due to general city and county	\$ 562,618.11		
Due to other public service enterprises	<u>46,790.33</u>	609,408.44	
Deferred Credits			
		<u>251,216.26</u>	
Total Liabilities		\$12,325,450.21	
Surplus - Exhibit B		<u>32,030,737.65</u>	
Total Liabilities and Surplus		<u>\$44,356,187.86</u>	

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT B
AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

SURPLUS
YEAR ENDED JUNE 30, 1956

Surplus, June 30, 1955, annual report of Controller	\$30,998,911.33
---	-----------------

Adds:

Contributions:

Ad valorem tax for Debt Service

\$795,773.84

State of California, special aviation fund

9,975.10

Contribution from Federal Agencies:

CAA Grant #509

217,285.27

1,023,034.21

Net Profit, fiscal year 1955-56 - Exhibit C

10,721.85

Total

\$32,032,667.39

Deducts:

Expense of securing CAA Grant #509

1,929.74

Surplus, June 30, 1956

\$32,030,737.65

EXHIBIT C - Page 1

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

OPERATING REVENUES:	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Air carrier Flight Operations:		
Scheduled	\$446,448.09	\$415,850.79
Scheduled feeder lines	22,831.70	19,692.24
Non-scheduled	<u>11,209.90</u>	<u>8,581.62</u>
Total Air Carrier Flight Operations	<u>\$480,489.69</u>	<u>\$444,124.65</u>
Rentals:		
Ramp area	\$ 15,861.60	\$ 9,360.45
Aircraft outdoor storage	13,780.25	14,553.00
Airport property		
Unimproved	54,271.40	49,779.51
Paved	40,307.21	38,365.40
Expansion area	3,971.91	2,655.54
Hangars		
Entire hangars	39,799.55	46,888.72
Partial hangars	6,108.34	8,089.46
Passenger terminal building office space	603,498.96	472,540.91
Airmail and cargo building office space	34,928.52	27,697.71
Other buildings and structures	<u>40,761.13</u>	<u>33,108.99</u>
Total Rentals	<u>\$853,288.87</u>	<u>\$703,039.69</u>
Bulk Petroleum Deliveries:		
Professional fire service	\$ 24,006.67	\$ 22,113.33
Rental of tank farm area	9,118.78	8,543.76
Wharfage charges	30,199.37	28,897.58
Pipe line licenses	<u>525.00</u>	<u>600.00</u>
Total Bulk Petroleum Deliveries	<u>\$ 63,849.82</u>	<u>\$ 60,154.67</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

OPERATING REVENUES - Cont'd.	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Services, Sales, Commissions and Permits:		
Public address system	\$ 14,142.36	\$ 12,906.62
Restaurant and allied services	284,173.48)	203,714.93)
Newspaper and tobacco counters	45,313.41)	34,772.01)
Restaurant - old terminal	-0-)	17,304.28)
Taxicab and limousine permits	135,787.94	106,801.38
Parking Lot (includes parking meters)	368,536.62	279,753.71
U-Drive	148,716.19	91,819.31
Telephone commissions	14,320.33	11,488.13
Travel agency, air service and sales	46.85	226.38
Telegraph commissions	600.00	5,211.91
Insurance vending machines	14,809.68	14,418.85
Sale of petroleum products	58,613.11	65,331.27
Shoe shine stands	3,712.30	2,993.63
Vending and weighing machines	472.81	376.29
Baggage locker commissions	9,583.71	7,101.31
Rest rooms	14,423.72	12,553.58
Automobile service station	15,780.09	13,345.31
Public stenographer	213.60	511.11
Portrait sketches and sales	-0-	162.80
Florist	3,259.04	2,346.94
Gift shop	24,907.05	20,131.35
Advertising displays	14,485.25	7,102.00
Childrens' "Merry-Go-Rounds"	775.04	690.12
Candy shop	2,057.81	1,721.11
Book shop	4,507.23	3,121.93
Photography	1,287.94	926.01
Barber shop	3,224.83	2,518.47
Telescopes	294.43	331.25
Porter service	3,000.00	2,500.00
Telo-Tronics Agency	546.24	-0-
Total Services, Sales, Commissions and Permits	<u>\$1,187,591.06</u>	<u>\$ 922,181.99</u>
TOTAL OPERATING REVENUES	<u>\$2,585,219.44</u>	<u>\$2,129,501.00</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

OPERATING EXPENSES:	June 30, 1956	June 30, 1955
Salaries and Wages:		
General & administrative	\$ 46,817.66	\$ 43,496.10
Maintenance & operations	<u>695,749.53</u>	<u>579,510.16</u>
Total Salaries and Wages	<u>\$742,567.19</u>	<u>\$623,006.26</u>
Other Costs of Operations:		
Travel expense (business trips)	\$ 4,427.02	\$ 2,514.97)
Travel expense and local fares	9.75)	1,347.07)
Employee transportation expense	18,090.00	16,149.60
Freight, express and drayage	477.21	189.56
Use of employees' cars - mileage only	19.28	22.56
Storage and care of vehicles	48.65	51.60
Maintenance and care of office equipment	741.24	701.19
Maintenance and care of other equipment	434.93	72.49
Heat, Light, Power - Water	73,067.75	63,067.35
Telephone and telegraph	\$32,796.91	
Less: Extension service		
charged to tenants	<u>21,414.53</u>	
Postage	11,382.38	8,459.81
Printing, advertising, etc.	662.31	756.65
Newspapers and periodicals	3,405.64	9,004.37
	528.95	435.71
Janitorial and window washing services:		
Contractual	5,532.81	9,914.23
Refuse disposal	440.68	1,241.19
Rentals of office furniture and equipment	305.00	626.82
Professional and special services	39,704.62	37,530.51
Celebrations (Flight Festival)	1,053.19	10,000.00
Miscellaneous contractual services	1,208.66	2,352.51
Operating material and supplies	17,033.07	27,252.75
P. U. C. - general office expense	24,883.47	13,263.04
Fire fighting expense	198,233.68	156,190.86
Purchasing Dept. expense	3,636.80	-0-
Towel service	139.88	-0-
Total Other Costs of Operation	<u>\$405,466.99</u>	<u>\$356,144.84</u>
Other Costs of Maintenance and Repairs:		
Landing area	\$ 201.01	\$ 1,145.82
Runways	24,427.94	14,551.28
Field lighting equipment	1,365.47	897.71
Radio equipment	1,854.80	1,393.31
Hangars	86.20	124.00
Administration building	25,271.23	10,910.26
Other buildings	2,294.14	2,529.73
Automotive equipment	4,203.04	4,154.12
Other equipment facilities	7,667.10	9,966.52
Parking areas, roads, walks, fences, etc.	7,914.05	6,903.14
Power distribution system	<u>2,239.35</u>	<u>2,929.30</u>
Total Other Costs of Maintenance and Repair	<u>\$ 77,514.33</u>	<u>\$ 55,505.69</u>

EXHIBIT C - Page 4

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

OPERATING EXPENSES - Cont'd.	<u>June 30, 1956</u>	<u>June 30, 1955</u>
Fixed Charges:		
Accident compensation - employees	\$ 668.80	\$ 925.15
Automobile insurance	1,977.81	1,947.15
Other insurance	14,507.03	29,628.09
Pension and retirement allowance	90,299.17	71,886.10
Taxes paid	\$70,662.34	
Less charged to tenants	<u>8,319.77</u>	
Depreciation	62,342.57	7,919.58
Doubtful accounts	1,029,908.17	730,489.68
Injuries and damages	4,800.00	4,800.00
Membership dues	=0=	200.00
	<u>1,035.00</u>	<u>1,035.00</u>
Total Fixed Charges	<u>\$1,205,538.55</u>	<u>\$ 848,830.75</u>
TOTAL OPERATING EXPENSES	<u>\$2,431,087.06</u>	<u>\$1,893,487.54</u>
OPERATING PROFIT	<u>\$ 154,132.39</u>	<u>\$ 236,013.46</u>
OTHER INCOME:		
Resale of electric energy	\$ 333,028.40	\$ 303,717.05
Less cost thereof	<u>231,424.64</u>	<u>208,390.52</u>
Total	<u>\$ 101,603.76</u>	<u>\$ 95,326.53</u>
Resale of water	\$ 51,979.69	\$ 52,496.72
Less cost thereof	<u>47,844.51</u>	<u>49,326.24</u>
Total	<u>\$ 4,135.18</u>	<u>\$ 3,170.48</u>
Sale of steam	\$ 4,463.74(1)	\$ 3,556.96(1)
Miscellaneous	<u>\$ 4,357.60</u>	<u>\$ 821.49</u>
Total Other Income	<u>\$ 114,560.28</u>	<u>\$ 102,875.46</u>
Sub-total	<u>\$ 268,692.66</u>	<u>\$ 338,888.92</u>
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense	\$ 168,796.86	\$ 138,586.88
Miscellaneous additions to and deductions from income - net deduction (Schedule C-1)	<u>89,173.95</u>	<u>89,037.72</u>
Total Other Expense	<u>\$ 257,970.81</u>	<u>\$ 227,624.60</u>
NET PROFIT	<u>\$ 10,721.85</u>	<u>\$ 111,264.32</u>

(1) Cost of steam is incidental to the production of steam for heating terminal building. No breakdown of unit costs is available.

The accompanying notes to financial statements are an integral part of this statement of income and expense.

SCHEDULE C - 1

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

MISCELLANEOUS ADDITIONS TO AND DEDUCTIONS FROM INCOME
YEAR ENDED JUNE 30, 1956

	<u>Applicable to</u>		<u>Total</u>
	<u>1955-1956</u>	<u>Prior Years</u>	
Deductions:			
Provisions for possible uncollectibility of disputed accounts receivable:			
Trans World Airlines	\$ 51,123.40		\$ 51,123.40
Western Air Lines, Inc.	32,224.54		32,224.54
United Airlines, Inc.	2,400.00		2,400.00
Pan American Airways	2,400.00		2,400.00
Total	\$ 88,147.94		\$ 88,147.94
Demolition of buildings	64,824.69		64,824.69
Miscellaneous additions to expense		\$ 2,668.36	2,668.36
Miscellaneous deductions from revenue		946.01	946.01
Total deductions	\$152,972.63	\$ 3,614.37	\$156,587.00
Additions:			
Settlement of Fire Loss-Hangar No. 1	\$ 56,557.19		\$ 56, 557.19
Revenue not previously recorded:			
Hertz U-Drive	\$ 3,288.42		3,288.42
United Air Lines, Inc.	3,015.00		3,015.00
Electricity sales	1,215.63		1,215.63
Pacific Southwest Airways	674.56		674.56
Airport Sales Corp.	609.33		609.33
Mercury Sales Co.	521.22		521.22
Miscellaneous	1,154.97		1,154.97
Total	\$ 10,479.13		\$ 10,479.13
Miscellaneous deductions from expense	376.73		376.73
Total additions	\$56,557.19	\$ 10,855.86	\$ 67,413.05
Net deduction	\$96,415.44	\$ -7,241.49	\$ 89,173.95

The accompanying notes to financial statements are an integral part of this statement of miscellaneous additions to and deductions from income.

EXHIBIT D

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY

STATISTICS

YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1955

Comparative report of aircraft movements and traffic, including domestic and international activities, as reported by the various sources. The accuracy of this data has not been verified by the Controller's Utility Audit Division.

	<u>June 30, 1956</u>	<u>June 30, 1955</u>	<u>Increase Decrease (-)</u>	<u>%</u>
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower				
Carriers	129,313	139,618	-10,305	-7.4
Itinerant	34,980	38,497	- 3,517	-9.1
Local	<u>34,775</u>	<u>36,799</u>	<u>- 2,024</u>	<u>-5.5</u>
Totals	<u>199,068</u>	<u>214,914</u>	<u>-15,846</u>	<u>-7.4</u>
Number of passengers, as reported by air carriers:				
On and off	2,791,937	2,401,538	390,399	16.3
Through (no stopovers)	<u>490,507</u>	<u>477,828</u>	<u>12,679</u>	<u>2.6</u>
Totals in and out (1)	<u>3,282,444</u>	<u>2,879,366</u>	<u>403,078</u>	<u>14.0</u>
Air mail, express and freight, in pounds on and off, as reported by various air lines: (1)				
Air mail	(2) 34,338,085	33,245,457	1,092,628	3.3
Express	8,822,952	7,195,498	1,627,454	22.6
Freight	<u>66,543,120</u>	<u>49,989,422</u>	<u>16,553,698</u>	<u>33.1</u>
Totals	<u>109,704,157</u>	<u>90,430,377</u>	<u>19,273,780</u>	<u>21.3</u>

Notes

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.
- (2) June 30, 1956 figure includes 8,682,111 pounds of first class mail sent by air.

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1956

- Note 1. Included in accounts receivable of \$319,716.21 are certain disputed sums in the amount of \$47,888.64. This amount plus \$165,471.80 paid by Western Air Lines, Inc. under protest has been fully reserved under the account deferred credits.
- Note 2. The San Francisco International Airport was contingently liable at June 30, 1956, for various alleged personal injuries and property damages evidenced by claims filed with the Controller in the amount of \$340,434.86 including the sum paid under protest by Western Air Lines, Inc., noted above. In addition thereto, American Air Lines, Inc., paid for its use of common use facilities at established rates and charges under protest but at June 30, 1956 had filed no claim with the Controller for repayment. During the fiscal year ended June 30, 1956, there was in force an insurance policy protecting the Airport from personal injury and property damage claims.
- Note 3. The substantial increase in the provision for depreciation during the year ended June 30, 1956 reflects the first annual allowance relating to the International Terminal Building. Consistent with the Airport's depreciation policy, no provision for depreciation was made during the year the building was first devoted to service.





Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1957

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City and County of San Francisco

For the Fiscal Year Ended June 30, 1957



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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF
CONTROLLER

November 1, 1957

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1957 is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by F. W. Lafrentz & Co. by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by John F. Forbes & Co.

Municipal Railway, by Haskins & Sells.

San Francisco School Department, by Benjamin H. Hicklin.

Employees Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

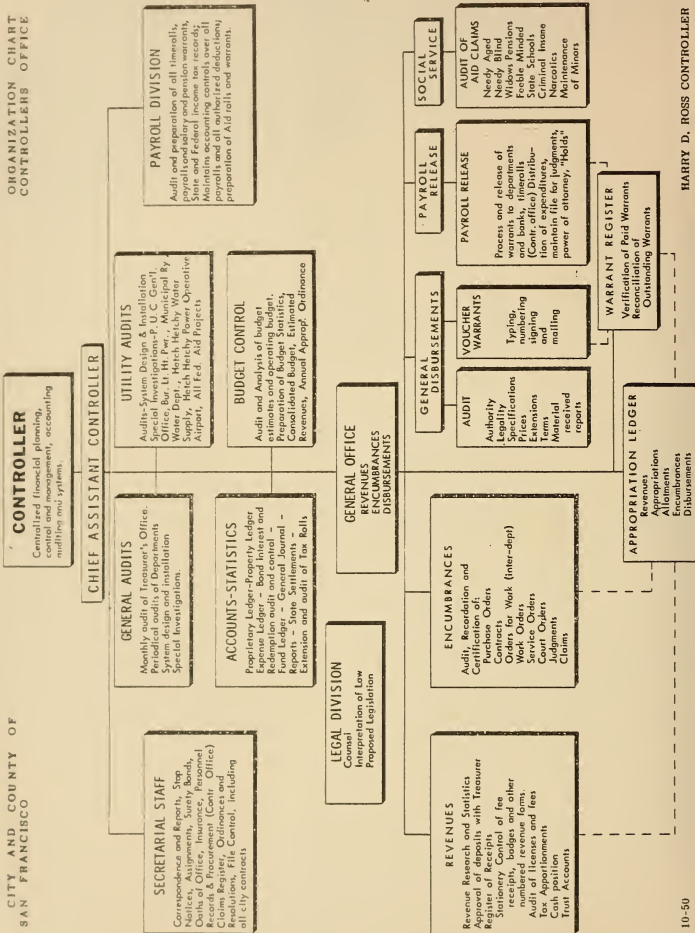
Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,


HARRY D. ROSS
CONTROLLER



CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Property Taxes and Penalties	\$51,429,242	\$60,358,808	\$60,699,337	\$66,500,390	\$70,595,833	\$69,852,672	\$76,123,581	\$84,448,841	\$89,361,418	\$93,181,568
Rent, Purses and Use Tax	5,507,328	4,667,018	4,579,668	5,045,495	4,923,011	5,049,201	4,984,922	4,984,922	5,603,569	11,305,306
Other Taxes and Licenses	1,331,662	1,465,059	1,506,803	1,558,434	1,614,163	1,698,453	1,730,380	1,811,030	1,928,163	1,270,812
Court Fines	1,294,335	1,386,183	1,661,179	1,661,179	1,882,284	2,620,108	2,470,813	2,637,894	2,859,703	2,937,851
Departmental Revenues	4,071,272	5,223,206	5,583,159	6,499,072	6,182,217	6,620,108	6,961,796	7,757,720	8,278,007	8,278,007
Interest Earned	74,735	305,950	418,823	489,584	530,303	526,697	578,940	507,011	518,865	699,822
Rents, S. F. Unified School District	387,651	401,066	361,303	358,655	367,265	367,265	383,043	359,863	356,767	355,847
Housing Authority in Lieu of Taxes	418,319	274,458	371,287	392,037	326,222	244,435	394,865	190,539	143,779	129,980
Miscellaneous	69,485	51,441	91,940	49,493	87,988	134,104	90,099	158,035	83,143	87,276
62,584,029	74,133,189	75,253,545	82,556,991	86,500,676	86,500,676	86,739,419	93,697,479	102,939,444	109,139,314	118,788,806
Cash Transferred from Capital Funds	6,500	265,787	537,093	223,845	369,254	358,985	764,016	11,747	608,416	429,641
Cash Transferred from Trust Funds	553,818	553,818	553,818	553,818	553,818	553,818	553,818	553,818	553,818	553,818
From School Cafeteria Fund	62,590,529	74,580,888	75,790,658	82,780,836	86,869,930	87,098,395	94,464,095	103,011,274	109,747,730	119,155,417
Revenues Through State of California	62,590,529	74,580,888	75,790,658	82,780,836	86,869,930	87,098,395	94,464,095	103,011,274	109,747,730	119,155,417
State of California	62,590,529	74,580,888	75,790,658	82,780,836	86,869,930	87,098,395	94,464,095	103,011,274	109,747,730	119,155,417
Motor Vehicle Fuel Tax	1,575,810	2,408,477	2,207,248	2,308,220	2,250,222	2,327,622	2,269,025	2,274,701	2,389,601	2,415,641
Special Gas Tax Street Imp. Fund	1,576,511	1,576,870	1,705,617	1,823,475	1,902,631	1,981,376	1,980,017	2,004,260	2,143,934	2,218,056
Motor Vehicle Registration Fees	283,21	360,431	382,973	403,898	405,851	413,464	329,250	413,571	413,204	436,687
Motor Vehicle License Fees	4,043,761	3,331,193	4,346,181	4,407,173	6,508,349	5,671,985	6,352,085	6,600,986	7,563,836	7,685,056
Alcoholic Beverage License Subsidy	1,266,917	1,264,850	1,367,041	1,415,966	1,249,603	1,263,643	1,261,919	1,276,236	1,290,311	1,185,907
Miscellaneous	2,620	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Federal Grants-in-Aid:										
Maintenance of Minors	195,597	266,283	411,910	569,920	557,906	525,558	517,699	539,697	559,526	542,760
Aid to Needy Children	420,800	730,597	1,567,352	2,680,456	2,850,456	2,896,466	3,000,146	3,248,027	3,453,075	3,737,658
Aid to Needy Blind	470,243	884,874	1,283,874	1,521,098	1,451,300	1,467,457	1,479,407	1,493,579	1,524,134	1,547,634
Aid to Needy Aged	6,875,562	3,885,186	4,785,842	11,979,851	11,657,159	11,814,905	11,260,138	11,273,450	11,489,951	11,849,568
Honors for Children and Aged	26,420	26,420	28,772	27,544	24,792	116,139	126,615	86,349	95,656	90,319
School Appointments from State	61,980	7,355,393	7,462,264	7,720,320	7,781,132	8,427,501	29,284	34,800	34,195	35,225
County School Service Fund	24,400	27,059	26,577	29,471	31,550	36,587	38,903	44,621	44,435	49,082
Child Care Centers	671,000	577,000	602,300	498,023	482,905	466,447	410,102	444,621	512,506	481,842
School Cafeteria	94,346	85,902	94,845	87,259	75,635	111,061	87,259	116,688	195,129	195,129
Teachers' Retirement	247,553	335,794	335,794	682,629	682,629	737,547	803,158	922,054	1,018,552	1,018,552
Driver Training Program	780,610	599,883	496,366	825,311	825,311	825,311	1,055,033	994,401	534,745	1,157,907
Federal Aid to Schools	352,678	352,678	352,678	510,935	520,516	520,516	510,935	533,288	426,784	315,441
Tuberculosis Aid Subsidy	446,036	446,036	446,036	446,036	446,036	446,036	446,036	446,036	446,036	446,036
Public Health Subsidies	270,610	248,818	248,271	159,052	201,612	285,542	398,831	369,897	319,978	231,978
Fire for Log Cabin Ranch	30,978	31,424	40,569	227,947	237,753	199,159	199,159	198,341	245,654	310,438
Aid for Log Cabin Ranch	168,615	199,776	202,262	289,402	43,250	43,250	46,360	52,907	54,930	57,792
Fire Boat and Waterfront Expense	13,746	65	.....	20,498	229,418	229,418	229,418	229,418	221,503	24,291
Civilian War Assistance .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Disaster Council and Corps .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Recreation Dept. Subsidy	89,474	35,354	363,315	140*	37,750	125,147	65,027	30,552	154,107	79,016
Recreation Dept. Subsidy	2,028	.....	.....	.....	.....	.....	.....	.....	.....	.....
California Centennial Commemoration .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, Revenue*	26,141,275	23,915,871	27,449,693	36,997,218	38,162,919	39,208,602	42,847,17	41,275,124	41,880,094	46,740,000
Total, Revenue*	26,141,275	23,915,871	27,449,693	36,997,218	38,162,919	39,208,602	42,847,17	41,275,124	41,880,094	46,740,000
Total, Revenue*	26,141,275	23,915,871	27,449,693	36,997,218	38,162,919	39,208,602	42,847,17	41,275,124	41,880,094	46,740,000

Total, Revenue*

* Dollars Excluded

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF EXPENDITURES
Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Departmental Expenditures:										
General Government	\$ 6,925,959.92	\$ 7,585,988.85	\$ 7,828,393	\$ 7,789,286	\$ 8,767,034	\$ 8,539,705	\$ 9,385,669	\$ 9,909,585	\$ 10,250,985	\$ 10,787,773
Public Safety	12,839,310.39	14,393,249.89	15,228,793	15,888,907	17,509,966	18,748,784	20,804,800	22,004,766	22,057,205	24,483,491
Highways	1,709,206.37	1,922,531.04	2,046,428	1,963,287	1,950,737	2,722,831	3,028,109	3,287,857	3,450,138	3,569,748
Sanitation and Waste Removal	1,929,911.11	2,118,572.33	2,141,219	2,147,014	2,569,934	2,957,688	3,269,346	3,344,461	3,486,355	3,908,792
Conservation of Health	1,615,711.13	1,892,336.02	2,088,305	2,123,358	2,390,449	2,502,420	2,753,708	2,806,125	2,851,311	3,003,755
Hospitals	5,825,183.39	6,318,117.81	6,601,352	6,696,240	7,761,571	7,678,133	7,407,358	7,488,224	7,488,224	8,139,225
Nurses' Welfare	11,707,740.52	10,895,960.80	10,882,610	20,595,900	20,251,188	22,701,926	22,459,499	23,420,499	23,420,499	24,472,876
Correction	1,742,466.14	1,724,661.14	1,836,940	1,851,296	1,851,296	1,801,926	1,965,756	2,106,164	2,184,814	2,278,679
School	19,118,896.77	21,219,321.03	22,016,062	24,890,045	26,799,540	29,341,754	31,363,509	32,027,730	33,965,430	37,832,744
Prisons	695,706.78	772,215.21	802,652	825,926	923,544	935,314	1,045,452	1,105,315	1,168,106	1,303,984
Parole	4,737,851.59	5,276,653.38	5,296,062	4,753,800	4,932,813	5,075,479	5,419,246	5,580,062	5,824,208	6,132,717
Total Departmental Expenditures	68,103,337.83	71,102,966.83	76,950,480	88,318,467	95,677,549	101,337,839	108,170,972	112,340,950	116,634,732	125,893,231
Bond Redemptions	3,015,000.00	4,189,000.00	4,639,000	5,098,000	5,383,000	5,540,000	5,654,000	6,694,000	6,888,000	7,407,000
Pensions and Compensation	959,252.78	1,077,821.78	1,296,730	1,335,016	1,367,580	1,447,005	1,618,812	1,594,498	1,669,775	1,835,093
Insurance	7,519,358.77	8,285,240.80	10,516,145	10,918,329	11,880,452	12,541,720	13,527,239	13,761,938	15,325,584	17,142,220
Judgments and Losses	371,973.97	36,583.48	37,177	79,589	21,749	213,370	125,789	209,633	175,068	190,333
Support of Public Service										
Airports										
Public Utilities Commission										
Light, Heat and Power										
Bureau										
Capital Additions From Revenues										
Civilian Defense										
Assessments, Other Civil										
Divisions										
Miscellaneous, net										
Total Expenditures	\$ 85,083,098.95	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,586,674	\$127,203,977	\$135,730,407	\$144,310,750	\$150,567,165	\$162,379,214

*Denotes Credit

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)
Water Sales	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318	\$12,133,574	\$12,683,906	\$13,048,334	\$13,262,961
Operating Expenses:										
Provision for Depreciation	891,767.46	889,337.61	906,404.87	940,078.04	948,787.58	970,779	1,077,970	1,178,805	1,190,549	1,130,856
Other Operating Expenses	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,650	8,109,677	8,119,086	8,359,446
	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620	9,288,482	9,309,635	9,490,302
Profit from Operations	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954	3,395,424	3,738,699	3,772,659
Other Income	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11	382,030	923,093	578,909	379,623	408,528
	3,107,685.44	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047	3,974,333	4,118,322	4,181,187
Other Expenses:										
Interest on Bonded Debt	1,179,263.34	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083	914,115	875,664	838,325	782,011
Other	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,538	60,058	83,724	71,003	97,204
	1,219,290.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173	959,388	909,328	879,215
Net Income	\$ 1,888,394.85	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,209,919.76	\$ 3,246,418	\$ 3,688,874	\$ 3,014,945	\$ 3,208,994	\$ 3,301,972

(a) Cents Omitted

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
STATEMENT OF OPERATIONS
Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)
Power Sales	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981	\$4,289,746	\$4,526,289	\$4,517,503	\$4,804,325
Standby Charge and Sale of Water to the S. F. Water Dept	3,533,700.00	3,780,804.29	3,588,504.63	3,575,046.00	3,445,250.00	3,545,590	3,545,590	4,030,000	4,030,000	4,030,000
Operating Expenses:	6,925,972.27	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336	8,556,289	8,547,503	8,834,325
Provision for Depreciation	1,514,979.47	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945	1,825,007	1,794,028	1,914,026
Other Operating Expenses	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817	3,226,122	3,170,478	3,645,177
Profit from Operations	3,384,589.16	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762	5,051,129	4,964,506	5,559,203
Other Income	3,541,383.11	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574	3,505,160	3,582,997	3,275,122
Other Expenses:	22,833.35	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767	41,715	40,255	109,527
Interest on Bonded Debt	3,564,216.46	3,923,809.91	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341	3,546,875	3,623,252	3,384,649
Other	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321	1,572,251	1,451,714	1,380,333
Net Income	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321	1,588,741	1,451,714	1,380,333
	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667	\$1,590,020	\$1,958,134	\$2,171,538	\$2,004,316

*Denotes Loss.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS
Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Revenues	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37	\$23,491,980.98	\$22,137,625.17	\$21,097,543.29	\$20,456,021.15	\$20,242,262.43
Operating Expenses:										
Depreciation	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97	1,732,383.04	1,399,251.37	1,041,798.34
Other Operating Expenses	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54	20,867,915.18	20,285,821.91	20,559,117.37	20,931,375.55
	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15	22,018,204.95	21,958,368.74	21,973,173.89
Profit from Operations	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*	930,661.66*	1,502,347.59*	1,730,911.46*
Other Income	10,519.31	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31	56,617.87	92,562.84	95,299.57
	1,295,301.99*	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,055.67*	874,043.79*	1,409,784.75*	1,635,611.89*
Other Expenses:										
Interest on Market Street Railway purchase	64,725.99	.....	.....	.....	.....	.....	.....	.....	.....	.....
Interest on Bonded Debt	30,727.50	107,194.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08	249,193.47	227,698.57	200,022.09
Other	202,926.02	137,716.09	.....	96,784.97	58,471.67	1,320.47	91,202.15	29,840.93	17,711.64	93,183.37
	298,379.51	244,910.38	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23	279,014.40	245,410.21	294,295.60
Net Income	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,968.93	\$ 882,472.90*	\$ 1,113,078.10*	\$ 1,655,194.96*	\$ 1,929,603.30*

*Deducted Loss

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1947-48 to 1956-57

FISCAL YEAR ENDED JUNE 30

	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Revenues:										
Landing Charges	\$118,658.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82	\$ 422,577.78	\$ 444,124.65	\$ 480,489.69	\$ 524,316.77
Rentals	143,041.93	98,308.75	118,759.03	135,241.60	157,800.59	181,356.96	218,851.71	657,339.69	853,248.87	909,322.81
Other	101,127.58	195,573.44	246,869.66	298,727.32	380,556.80	469,125.99	525,949.11	1,028,036.66	1,251,440.88	1,497,332.18
	362,827.77	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60	2,129,501.00	2,585,219.44	2,930,971.76
Operating Expenses:										
Depreciation	434,958.82	638,043.10	648,646.19	823,339.87	832,193.45	811,347.59	718,388.20	730,489.68	1,029,908.17	1,034,550.22
Other Operating Expenses	388,833.69	506,176.63	571,061.36	583,435.30	584,750.31	634,630.55	703,119.80	1,162,997.86	1,401,178.89	1,576,111.88
	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00	1,893,487.54	2,431,087.06	2,610,662.10
Profit from Operations	460,964.74*	720,236.45*	698,845.10*	759,488.97*	585,068.45*	455,486.37*	257,129.40*	236,013.46	154,132.38	320,309.66
Other Income	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74	102,875.46	114,560.28	153,133.22
	435,056.99*	690,051.28*	673,491.91*	725,763.87*	553,132.29*	426,046.29*	197,537.66*	338,888.92	268,692.66	473,442.88
Interest on Bonded Debt	29,303.68	106,390.54	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12	138,586.88	168,796.86	138,540.00
Other Expenses				2,481.22	15,151.13	(20,283.67)	185,139.94	89,037.72	89,173.95	57,896.23
	29,303.68	106,390.54	87,584.53	123,381.63	149,242.81	96,288.77	284,248.06	227,624.60	257,970.81	196,436.23
Net Income	\$464,360.67*	\$ 796,441.82*	\$ 761,076.44*	\$ 849,145.50*	\$ 702,375.10*	\$ 522,335.06*	\$ 481,785.72*	\$ 111,264.32	\$ 10,721.85	\$ 277,006.65

*Denotes Loss

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES
FOR THE 10 YEAR PERIOD JULY 1, 1947 TO JUNE 30, 1957

	Increase or Decrease				Balances - June 30, 1957			
	Total	Land	Buildings Structure & Improvements	Equipment	Total	Land	Buildings Structure & Improvements	Equipment
GENERAL GOVERNMENT								
Civic Center, incl. City Hall	\$ 820,139.63	\$ 134,432.63*	\$ 199,386.73	\$ 1,055,183.73	\$ 10,008,392.75	\$ 1,798,521.80	\$ 4,313,588.60	\$ 3,896,282.35
PUBLIC SAFETY								
Fire Department	5,815,158.82	264,573.47	4,511,619.93	1,038,965.42	18,984,274.78	868,147.88	13,310,403.50	4,805,723.40
Police Department	1,970,454.37	572,237.06	247,089.65	1,151,127.66	5,694,871.84	1,343,017.16	2,213,268.23	2,138,592.05
Department of Electricity	97,983.64		16,229.95	82,753.69	976,581.91	444,000.00	740,183.35	192,398.56
ROADWAYS								
Streets, Tunnels, Bridges, Etc.	40,205,637.45	4,632,672.92	35,191,664.19	381,298.34	105,710,009.15	13,299,238.64	91,986,756.63	124,013.60
Asphalt Plant	439,234.37		439,234.37		67,664.66		439,234.37	174,712.57
San Francisco Street Parking	2,325,391.52	2,472,315.00	57,076.92		2,529,391.52	2,472,315.00	57,076.92	
SANITATION								
Sanitary Sewer & Storm Disposal Plants	36,885,968.73	702,644.38	35,897,666.35	285,438.00	61,781,216.76	1,758,879.38	59,500,091.44	462,216.94
Street Cleaning Department				350,919.78	746,172.66			746,172.66
Garbage Incinerator					60,312.60	15,000.00	65,142.60	
HEALTH CONSERVATION								
Hansen Health Home	111,399.48		45,558.61	67,750.87	1,368,698.38	29,442.00	1,159,308.20	179,948.09
Civic Center Health Bldg.	234,121.12		735.79	233,713.40	1,412,903.78	158,013.49	908,744.20	344,146.09
San Francisco Health Center	112,508	112,508			85,083.54	144,335.00	66,618.18	4,190.36
Other	59,423.404	134,256.15*	71,579.38	3,553.37	225,362.22	9,483.85	85,540.18	130,330.19
HOSPITALS								
San Francisco Hospital	2,046,213.59	19,630.00*	1,520,782.09	545,061.50	8,559,658.30	674,926.97	6,460,367.22	1,424,364.11
Emergency Hospital	68,396.79			68,396.79	331,994.59	10,999.70	42,969.15	236,455.74
PUBLIC WELFARE								
Laguna Honda Home	2,684,060.11		2,320,663.55	268,343.43	7,645,723.47	25,062.15	6,765,248.06	855,413.26
San Francisco Welfare Department	130,569.78	4,937.85*	32,763.73	97,806.05	447,664.46		195,263.73	111,990.73
CORRECTIONS								
County Jail	31,405.14		22,855.05	8,550.09	890,769.17	38,156.52	823,110.06	89,592.59
Juvenile Detention Home-Old	59,163.21		34,846.50	24,316.71	368,315.40	10,310.00	245,144.16	124,871.24
Youth Guidance Center	4,357,647.16	50,400.00	4,211,231.92	96,015.24	4,371,687.16	50,400.00	4,251,187.16	70,100.00
Juvenile Log Cabin Ranch	153,074.21		132,550.44	20,523.77	292,064.33	22,281.09	227,190.68	39,403.46
SCHOOLS								
	57,604,734.49	3,842,679.55	47,321,906.26	5,840,148.68	110,242,898.08	14,158,285.36	85,858,456.01	10,226,146.71
LIBRARIES								
	787,689.67	27,644.19	642,751.43	117,574.25	4,280,210.57	436,124.19	1,940,224.06	1,901,861.32
RECREATION								
Playgrounds & Swimming Pools	10,251,905.45	626,680.67	9,962,811.98	362,412.80	14,738,002.00	3,549,819.48	10,617,370.74	570,611.78
Museums, Art Galleries, Etc.	16,523.92		598,762.31	116,950.03	1,139,731.29	1,739,731.29	4,798,779.35	371,699.19
Parks & Squares	2,639,776.01	36,073.17	9,735.71	1,188.21	5,423,574.16	463,187.20	4,798,779.35	161,607.64
Auditorium	133,110.63		2,212,393.98	391,308.66	29,426,139.97	20,853,002.62	7,786,458.57	766,671.78
Exhibit Hall	109,420.81		105,117.79	27,993.04	2,423,859.55	701,437.00	1,631,830.77	100,691.78
Oak Leaf Linde	1,024,699.76	745,205.48	109,420.81	109,420.81	109,420.81	745,205.48	1,111,555.18	124,871.24
Keasir Stadium	444,594.25		299,484.28	299,484.28	1,158,970.80	782,139.12	976,139.12	
OTHER								
San Francisco Warehouse & Corporation Yard	1,022,162.66	359,408.11	662,731.57	1,312,373.07	523,271.28	780,620.34	8,444.44	
Retirement System	1,154.41			1,154.41	20,679.41	15,595.00	4,000.00	1,171.41
Miscellaneous	453,378.96	102,644.33*	211,319.41	344,673.68	745,002.03	427,599.98	292,385.56	440.1
Total	\$173,360,379.43	\$13,782,613.22	\$146,608,616.43	\$12,989,140.78	\$107,090,006.34	\$44,494,058.70	\$111,643,776.78	\$10,958,444.49

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES - BY SOURCE OF FUNDS
FOR THE 10 YEAR PERIOD JULY 1, 1947 to JUNE 30, 1957

SOURCE OF FUNDS:	Total	Land	Buildings Structures & Improvements	Equipment
Current Funds				
General Fund	\$ 12,084,472.94	\$ 408,235.16	\$ 6,812,154.20	\$ 5,621,133.68
Bereavement - Park	3,150,287.81	1,097,486.11	1,100,000.00	952,791.70
Bereavement - Cemetery	35,000.00	24,000.00	10,000.00	87,000.00
Mar Memorial	35,000.00	24,000.00	10,000.00	87,000.00
California Palace of The Legion of Honor	174,164.00	174,164.00	151,152.69	23,011.31
Publicity and Advertising	10,000.00	3,212,133.61	7,698,060.57	12,000.00
Special Bond - Fire Street Improvement	9,655,515.65	820,650.33	8,899,660.00	263,205.36
Special Bond - School District	9,579,560.53	2,039,475.71	3,654,878.53	3,885,206.29
Special Accumulative Building Fund - Schools	187,598.43	128,103.21	59,495.22	39,970.33
Child Care Centers	39,970.33			
Capital Funds:	\$ 8,032,854.07	\$ 29,740,129.48		\$ 10,371,044.00
Real Property - General City	1,477,575.68*		296,185.18*	333,854.07
Real Property - S. F. U. S. D.	94,190.00	1,181,490.50*	331,887.46*	3,652.94
1927 Boulevard Bonds	131,631.69	423,817.46	135,652.00	3,949.47
1927 Market Square Bonds	1,000,000.00	4,058,616.00	1,000,000.00	238,241.89
1933 School Bonds	13,792.33	30.00	13,762.33	
1938 Hospital Bonds	4,354.55		4,354.55	
1942 Fire Protection Bonds	366,968.25		33,094.18	
1944 Sewer Bonds	19,496,879.81	635,838.97	18,861,187.90	
1944-48 Juvenile Home & Court Bonds	4,252,930.78	332,239.84	4,194,981.01	
1947 Recreation Bonds	11,111,210.76	1,051,008.95	10,060,191.81	
1947 Off-Street Parking Bonds	2,490,156.97	2,433,080.95	9,812,359.90	
1948 Sewage Treatment Bonds	13,882,425.62	75,031.87	13,766,577.91	40,815.84
1948 School Bonds	46,804,925.19	951,283.17	43,938,669.97	1,914,972.05
1952 Firehouse Bonds	3,565,247.18	192,617.74	3,374,571.83	37,651.35
1954 Juvenile Home Bonds	1,759,893.94	1,475.54	1,755,361.00	10,257.36
1954 San Francisco Hospital Bonds	508,955.83		536,204.16	12,651.67
1954 Exhibit Hall Bonds	173,686.82		173,686.82	
1955 Playgrounds & Recreation Centers Bonds	347,361.20	800.00	346,561.20	
1956 Hall of Justice Bonds	795,220.76	790,497.06	44,827.10	604.60
1956 School Bonds	750.00		750.00	
	122,792,173.31	5,642,171.54	114,532,047.40	2,616,954.37
Trust Funds:				
State Highway	2,409,027.16	72,597.61	2,336,439.55	1,154.51
Retirement System	1,000.00	15,000.00		
Sigward Stern Donation	2,425,181.57	87,597.61	2,336,439.55	1,154.41
Total Additions	\$173,360,379.43	\$13,762,613.22	\$146,608,616.43	\$12,989,249.78

* Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO ASSESSMENT ROLLS

Roll Years 1947-48 to 1957

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject to City & Co. Ad Valorem Rate	Rate	Solvent Credits Taxed at 10¢ per \$100	Total Roll
1947-48	Unsecured - City and County Assessor...				150,379,489	4,464,748	145,914,741	5.55	328,391,141	474,315,889
	Secured - City and County Assessor		304,975,992	403,718,630	4,811,461	34,899,392	678,606,691	5.62	7,769,526	686,376,217
	Secured - State Board of Equalization		11,441,450	43,692,360	33,962,940	.....	89,096,750	5.62	32,033,180	121,129,930
	Total		\$316,417,442	\$447,410,990	\$189,153,890	\$39,364,140	\$ 913,618,182		\$368,193,847	\$1,281,812,029
1948-49	Unsecured - City and County Assessor...				176,254,123	2,170,550	174,083,573	5.62	388,793,008	562,876,581
	Secured - City and County Assessor		333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	8,097,591	737,450,815
	Secured - State Board of Equalization		11,566,170	49,385,230	35,695,010	.....	96,646,410	6.09	33,209,320	129,855,730
	Total		\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$410,099,919	\$1,410,183,126
1949-50	Unsecured - City and County Assessor...				187,081,075	2,368,931	184,712,144	6.09	413,302,218	598,014,362
	Secured - City and County Assessor		338,327,522	447,097,465	7,996,786	39,773,711	753,648,062	5.66	10,463,329	764,111,391
	Secured - State Board of Equalization		11,634,050	60,688,340	40,147,520	.....	112,470,110	5.66	34,463,450	146,933,560
	Total		\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316		\$458,228,977	\$1,509,059,299
1950-51	Unsecured - City and County Assessor...				174,987,355	2,460,275	172,527,080	5.66	446,958,945	619,484,025
	Secured - City and County Assessor		338,486,080	468,437,890	10,373,612	42,988,323	774,309,257	6.29	7,389,121	781,698,378
	Secured - State Board of Equalization		11,594,320	64,845,380	38,418,540	.....	114,858,240	6.29	41,805,700	156,663,940
	Total		\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577		\$496,153,766	\$1,557,848,341
1951-52	Unsecured - City and County Assessor...				199,089,454	2,242,564	196,846,890	6.29	541,279,205	738,126,095
	Secured - City and County Assessor		340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	6.19	9,174,744	809,568,550
	Secured - State Board of Equalization		15,762,340	66,620,930	41,853,110	.....	124,236,380	6.19	58,641,660	182,878,040
	Total		\$356,201,420	\$559,588,370	\$254,433,380	\$48,746,094	\$1,121,477,076		\$609,095,609	\$1,730,572,485
1952-53	Unsecured - City and County Assessor...				220,812,645	2,086,937	218,725,708	6.19	571,045,856	789,771,564
	Secured - City and County Assessor		348,660,965	530,992,235	12,794,831	44,981,574	847,466,457	5.67	8,388,619	855,855,076
	Secured - State Board of Equalization		16,714,810	67,703,770	44,590,910	.....	129,009,490	5.67	50,655,040	179,664,530
	Total		\$365,375,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,635		\$630,089,515	\$1,825,291,170
1953-54	Unsecured - City and County Assessor...				232,302,098	2,014,395	230,287,703	5.67	598,586,730	828,874,433
	Secured - City and County Assessor		350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	5,772,255	863,501,023
	Secured - State Board of Equalization		16,799,640	68,685,230	47,872,160	.....	133,357,030	6.27	59,152,340	192,509,370
	Total		\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471		\$663,511,355	\$1,884,884,426
1954-55	Unsecured - City and County Assessor...				233,165,805	2,385,376	230,780,429	6.27	658,769,128	889,549,557
	Secured - City and County Assessor		351,797,115	562,069,670	9,133,322	53,599,964	866,400,143	6.85	11,636,238	881,036,381
	Secured - State Board of Equalization		16,750,680	72,376,320	49,673,340	.....	138,830,340	6.85	55,227,520	194,057,860
	Total		\$368,547,795	\$634,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912		\$725,632,886	\$1,964,613,798
1955-56	Unsecured - City and County Assessor...				235,577,529	2,253,342	233,324,187	6.85	715,284,484	948,608,671
	Secured - City and County Assessor		353,834,456	582,012,880	9,090,434	54,527,921	890,459,774	7.02	7,913,999	898,373,773
	Secured - State Board of Equalization		16,950,530	74,539,330	48,923,710	.....	140,413,570	7.02	53,884,580	194,298,150
	Total		\$370,834,986	\$656,552,135	\$293,591,673	\$56,781,263	\$1,264,197,331		\$782,088,163	\$2,046,285,494
1956-57	Unsecured - City and County Assessor...				251,560,750	2,791,079	248,769,671	7.02	796,294,793	1,045,054,464
	Secured - City and County Assessor		353,996,820	606,234,380	8,902,349	57,882,613	911,270,936	7.06	8,651,561	920,922,507
	Secured - State Board of Equalization		18,011,480	77,302,980	50,165,830	.....	145,480,290	7.06	54,914,560	200,394,850
	Total		\$372,008,300	\$683,537,360	\$310,628,929	\$60,653,692	\$1,305,520,897		\$859,860,944	\$2,165,381,841
1957-58	Unsecured - City and County Assessor...				263,114,805	3,562,157	259,552,648	7.06	838,652,111	1,088,204,761
	Secured - City and County Assessor		356,155,315	622,670,687	10,275,298	59,422,666	929,678,474	7.37	8,241,943	937,920,417
	Secured - State Board of Equalization		19,902,920	79,799,130	50,925,980	.....	150,628,030	7.37	70,002,311	220,630,341
	Total		\$376,058,235	\$702,469,817	\$324,316,083	\$62,084,823	\$1,339,559,312		\$907,496,366	\$2,246,054,627

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1948-49 to 1957-58

	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
General Fund Charter Limit \$1.65.....	1.126318	1.261335	1.288331	1.181879	1.100226	1.127311	1.026134	.976736	1.118449	1.243654
General Fund - Other Necessary Expenditures Not Limited	1.415456	1.320391	1.481594	1.446522	1.351770	1.738365	2.111081	2.202325	2.197722	2.202347
Unified School District	1.645139	1.299661	1.562837	1.702265	1.408920	1.682564	1.569888	1.754236	1.972106	2.043149
Recreation	1.394333	.126423	.....	.....	.....	.....	.....	.....	.....	.....
Park .....	.272223	.203699	.....	.....	.....	.....	.....	.....	.....	.....
Recreation and Park .....	.....	.333286	.308968	.300406	.....	.333419	.308652	.342745	.386349	.380491
Library .....	.085277	.079214	1.03886	.083429	.084568	.086696	.093976	.103168	.101886	.110176
Employees' Retirement .....	.572093	.761183	.728602	.768251	.727307	.774782	.868473	.858667	.942984	.993125
Bond Interest and Redemption .....	.345373	.232312	.257541	.225908	.166542	.184849	.309244	.287207	.020527	.078257
de Young Museum .....	.046452	.019540	.041135	.020559	.025020	.035008	.023888	.025787	.031897	.024192
California Palace of the Legion of Honor .....	.021058	.015458	.015651	.017172	.016888	.018072	.018568	.017771	.018213	.018806
War Memorial .....	.019291	.017742	.021101	.016755	.017447	.017548	.018690	.018530	.021137	.022137
Publicity and Advertising .....	.027403	.026161	.026098	.024423	.022763	.022529	.021227	.020999	.020228	.019763
Tax Judgments .....	.....	.....	.....	.....	.....	.....	.....	.002842	.....	.....
Child Care Centers .....	.....	.....	.....	.008818	.01731	.016049	.008877	.014446	.015999	.019054
Special Election Fund .....	.....	.....	.000100	.....	.000267	.....	.....	.....	.....	.....
Bay Area Air Pollution Control Dist. Lighting Public Streets and Buildings .....	.129071	.093146	.103213	.096888	.095479	.106698	.103809	.099317	.004128	.008536
Alport .....	.030325	.203735	1.902386	.118155	.137666	.116020	.161256	.040926	.004129	.....
Municipal Railway .....	.215088	.....	.119469	.170008	.....	.....	.206237	.254298	.099352	.126883
P. U. C. Purchase of California St. Cable R. R. Co. .....	.....	.....	.016870	.....	.....	.....	.....	.....	.....	.....
Contribution to Purchase Bureau Forest .....	.....	.....	.....	.....	.....	.010090	.....	.....	.....	.....
Total Levy	6.09	5.66	6.29	6.19	5.67	6.27	6.85	7.02	7.06	7.37

CITY AND COUNTY OF SAN FRANCISCO

PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING

%	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
104	97	97	93	93	97	110	93	81	80	77	84	86	89	95			

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H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LIES AND DELINQUENCIES
Fiscal Years 1931-32 to 1956-57

Fiscal Year	Amount of Levy	Uncollected at June 30, Amount	%	Uncollected at June 30, Amount	%
1931-32	\$32,714,463	\$ 718,890	2.20	\$16,217	.05
1932-33	31,752,726	1,706,581	5.37	229,007	.72
1933-34	26,583,270	1,316,809	4.95	160,284	.60
1934-35	28,808,183	938,096	3.33	25,794	.09
1935-36	30,634,662	612,784	2.00	23,621	.08
1936-37	30,986,643	449,704	1.45	19,602	.06
1937-38	31,994,075	483,081	1.50	29,906	.09
1938-39	33,337,812	442,132	1.32	18,465	.06
1939-40	32,575,922	390,407	1.19	27,354	.08
1940-41	35,162,785	367,339	1.04	41,946	.12
1941-42	36,469,225	354,994	.97	66,321	.18
1942-43	37,469,083	286,158	.76	60,635	.16
1943-44	36,797,771	254,508	.69	48,479	.13
1944-45	39,647,406	262,652	.66	32,953	.08
1945-46	41,184,389	380,975	.93	37,290	.09
1946-47	47,374,328	457,779	.97	48,591	.10
1947-48	51,718,354	602,680	1.17	90,589	.18
1948-49	60,779,270	669,631	1.10	103,636	.17
1949-50	60,858,563	567,617	.93	86,414	.14
1950-51	66,522,057	537,393	.81	73,997	.11
1951-52	70,596,215	561,703	.80	104,549	.15
1952-53	69,947,162	539,325	.77	107,206	.15
1953-54	76,082,542	716,632	.94	147,995	.19
1954-55	84,509,028	724,612	.86	207,877	.25
1955-56	89,391,123	799,165	.89	360,207	.40
1956-57	93,280,375	882,671	.95	882,671	.95

CITY AND COUNTY OF SAN FRANCISCO
TAX YIELD
FISCAL YEAR 1957 - 58

	<u>Valuation</u>	<u>Tax Yield</u>	<u>Rate Per \$100</u>
Taxes on Property Assessed by City & County Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	\$978,826,002		
Tangible Personal Property	10,275,298		
Less Veterans' and Welfare Exemptions	<u>59,422,666</u>		
	929,678,634	\$ 68,517,426.44	7.37
Solvent Credits	<u>9,241,983</u>	<u>9,239.53</u>	.10
Total	<u>938,920,617</u>	<u>68,526,665.97</u>	
Unsecured Personal Property (Collected):			
Tangible Personal Property	120,613,162		
Less Veterans' and Welfare Exemptions	<u>3,189,846</u>		
	117,423,316	8,290,173.46	7.06
Solvent Credits	<u>560,847,794</u>	<u>560,855.25</u>	.10
Total	<u>678,271,110</u>	<u>8,851,028.71</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	142,501,643		
Less Veterans' and Welfare Exemptions	<u>372,311</u>		
	142,129,332	10,034,343.72	7.06
Solvent Credits	<u>277,804,229</u>	<u>277,807.43</u>	.10
Total	<u>419,933,561</u>	<u>10,312,151.15</u>	
Total Assessed by City and County Assessor	<u>2,037,125,288</u>	<u>87,689,845.83</u>	
Taxes on Property Assessed by State Board of Equalization:			
Real Estate and Improvements	99,702,050		
Tangible Personal Property	50,925,980	11,101,285.86	7.37
Solvent Credits	<u>79,602,310</u>	<u>79,602.31</u>	.10
Total Assessed by State Board of Equalization	<u>230,230,340</u>	<u>11,180,888.17</u>	
Total of above Assessments	<u>2,267,355,628</u>		
Total Tax Yield		98,870,734.00	
Reassessments		<u>580.32</u>	7.06
TOTAL TAX YIELD		<u>\$98,871,314.32</u>	

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF BONDING CAPACITY
at JUNE 30, 1957

Maximum Limit:

12% of 1957-58 Assessment Roll (\$2,267,355,628) \$272,082,675

Bond Debt Not Matured June 30, 1957

Total	\$184,331,000	
Exempt From 12% Limit (a)	<u>57,598,000</u>	<u>126,733,000</u>

Limit of Future Bond Sales (Subject to 12% Limit)		<u>\$145,349,675</u>
---	--	----------------------

Unissued (Unsold) Bonds, June 30, 1957:

	<u>Subject to 12% Limit</u>	<u>Exempt From 12% Limit</u>	<u>Total</u>
1947 Street Improvement	\$2,900,000		
1947 Off-Street Parking	2,000,000		
1948 Sewage Treatment	450,000		
1952 Firehouse	550,000		
1954 Sewers	10,145,000		
1954 Recreation Centers	5,000,000		
1954 San Francisco Hospital	4,330,000		
1954 Laguna Honda Home & Hospital	475,000		
1955 Playgrounds & Recreation Centers	7,000,000		
1955 Hetch Hetchy Power	44,000,000		
1956 Hall of Justice	18,000,000		
1956 Schools	27,000,000		
1956 Airport	<u>25,000,000</u>		
	\$146,850,000	-0-	<u>\$146,850,000</u>

- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (None issued)

ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1957

General City, Including
S. F. Unified School District

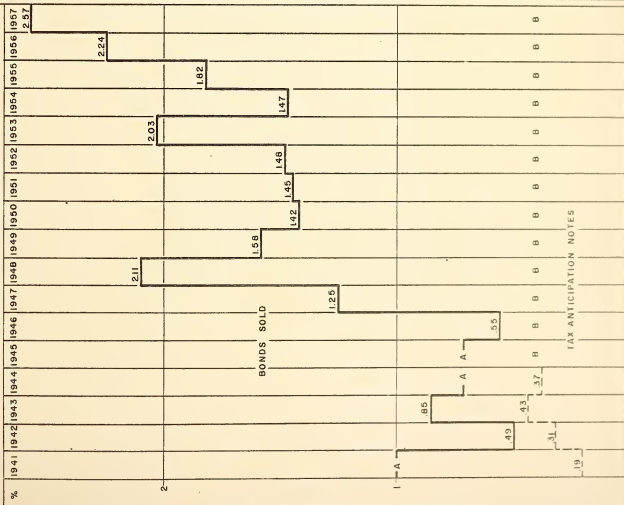
Public Service Enterprises

Fiscal Year	Grand Total	Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1957-58	\$ 21,754,553.75	\$ 10,522,098.75	\$ 8,102,000	\$ 2,030,098.75	\$ 11,232,455.00	\$ 8,564,000	\$ 2,668,455.00
1958-59	21,495,380.00	10,481,162.50	8,671,000	1,810,162.50	11,011,217.50	8,584,000	2,430,217.50
1959-60	21,026,483.75	10,373,036.25	8,776,000	1,597,036.25	10,653,447.50	8,164,000	2,489,447.50
1960-61	19,808,493.75	10,294,686.25	8,886,000	1,408,686.25	8,514,207.50	7,564,000	1,950,207.50
1961-62	19,194,786.25	10,282,298.75	9,051,000	1,231,298.75	8,912,487.50	7,180,000	1,732,487.50
1962-63	19,527,563.75	10,206,553.75	9,150,000	1,056,553.75	9,321,010.00	7,804,000	1,517,010.00
1963-64	18,489,362.50	9,835,047.50	8,957,000	878,047.50	8,654,315.00	7,371,000	1,283,315.00
1964-65	16,741,275.00	9,268,650.00	8,562,000	706,650.00	7,472,825.00	6,406,000	1,066,625.00
1965-66	14,345,348.75	8,963,762.50	8,431,000	552,762.50	5,362,076.25	4,468,000	894,076.25
1966-67	9,611,193.75	5,260,762.50	4,870,000	390,762.50	4,380,431.25	3,625,000	755,431.25
1967-68	9,101,536.25	4,852,850.00	4,570,000	282,850.00	4,248,686.25	3,625,000	623,686.25
1968-69	7,056,385.00	3,527,562.50	3,330,000	197,562.50	3,528,822.50	3,035,000	493,822.50
1969-70	5,825,777.50	2,774,187.50	2,645,000	129,187.50	3,051,590.00	2,675,000	376,590.00
1970-71	4,938,570.00	2,090,337.50	2,020,000	70,337.50	2,848,232.50	2,575,000	273,232.50
1971-72	2,600,000.00	927,625.00	905,000	22,625.00	1,672,375.00	1,475,000	197,375.00
1972-73	748,500.00				748,500.00	600,000	148,500.00
1973-74	721,500.00				721,500.00	600,000	121,500.00
1974-75	694,500.00				694,500.00	600,000	94,500.00
1975-76	667,500.00				667,500.00	600,000	67,500.00
1976-77	640,500.00				640,500.00	600,000	40,500.00
1977-78	613,500.00				613,500.00	600,000	13,500.00
	\$215,633,110.00	\$109,680,131.25	\$97,316,000	\$12,364,131.25	\$105,952,978.75	\$87,015,000	\$18,937,978.75

Unsold bonds at June 30, 1957 in the amount of \$116,850,000.00 are not included

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

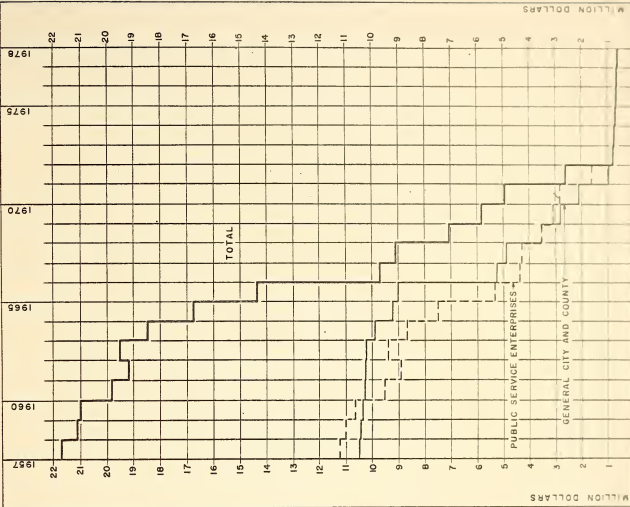
ON BONDS AND TAX ANTICIPATION NOTES
SOLD DURING FISCAL YEARS ENDINGA - No Bonds Sold
B - No Tax Anticipation Notes Sold

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
SOURCE OF REVENUES:										
General City Issues:										
Taxes	\$ 3,596,089	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536	\$ 3,544,397	\$ 3,682,287	\$ 931,400	\$ 898,700
Capital Improvement Fund	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189	5,056,962	8,396,295	9,633,261
Surplus .....	.....	136,932	.....	.....	.....	.....	.....	.....	.....	.....
	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586	8,739,249	9,327,695	10,531,961
Public Service Enterprises:										
Utility Earnings:										
Water Department	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397	6,880,615	6,743,649	6,683,871
Hetch Hetchy Project	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594	705,299	610,130	1,011,915
Municipal Railway	868,771	1,231,388	315,722	.....	1,849,107	1,861,459	.....	.....	.....	.....
Airport .....	.....	.....	124,584	366,099	437,912	663,500	433,830	1,502,010	1,196,939	1,946,788
Capital Improvement Fund (via Utility)	2,358,085	1,166,765	968,202	620,151	.....	.....	.....	.....	2,992,167	1,826,756
Taxes (via Utility)	289,855	1,665,360	3,105,918	2,827,350	1,602,725	1,466,892	3,753,012	2,634,376	145,442	.....
	11,134,849	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833	11,722,300	11,688,327	11,469,330
Total Budgeted Requirements	\$16,450,735	\$17,760,577	\$19,082,099	\$18,858,697	\$18,922,395	\$19,063,544	\$20,403,419	\$20,461,549	\$21,016,022	\$22,001,291

Office of the Controller



REPORT ON EXAMINATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 1957

RESIDENT PARTNERS

HAROLD A. KELLOGG, C.P.A.

ROBERT H. PERRY, C.P.A.

LEONARD H. TICE, C.P.A.

ALFRED W. GALLAGHER, C.P.A.

F. W. LAFRENTZ & Co.

CERTIFIED PUBLIC ACCOUNTANTS

525 MARKET STREET - SAN FRANCISCO 5

ATLANTA LOS ANGELES
BALTIMORE NEW ORLEANS
BOSTON OAKLAND
CHICAGO RICHMOND
CLEVELAND SAN FRANCISCO
DALLAS SEA TAC
WASHINGTON
CORRESPONDENTS IN
FOREIGN COUNTRIES

November 29, 1957

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

Gentlemen:

In accordance with your resolution No. 17,901 (Series of 1939), we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1957. The financial statements, attached hereto, are as follows:

Exhibit

- A Combined proprietary balance sheet, June 30, 1957
- B Proprietary balance sheet, Public Service Enterprises, June 30, 1957
- C Statement of revenues, expenditures and current surplus, General City, June 30, 1957
- D Statement of revenues, expenses and surplus, Public Service Enterprises, June 30, 1957
- E Statement of capital surplus, General City, June 30, 1957
- F Summary of fixed assets, June 30, 1957
- G Statement of bonded indebtedness, June 30, 1957
- Individual fund balance sheets, June 30, 1957:
 - H Summary
 - I Current funds
 - J Capital
 - K Retirement and other public trust funds
 - L Private trust funds
 - M Assessment and redemption funds
 - N Agency funds
 - N Public Service Enterprises
 - O Reconciliation of proprietary balance sheet with funds balance sheet, June 30, 1957

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the office of the Controller, but are maintained in the offices of the several enterprises. Examination of these accounts are made by other auditors as follows:

By other independent public accountants:

Municipal Railway of San Francisco

San Francisco Water Department and Hetch Hetchy Project

By the Controller's Utilities Audit Division:

Public Utilities Commission

San Francisco Airport

Our examination of the financial statements relating to the Office of the Controller was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of this report, we have necessarily incorporated data from reports prepared in connection with examinations made as at June 30, 1957, by other auditors as follows:

By other independent accountants:

San Francisco Unified School District (a separate political entity)

By the Controller's General Audit Division:

Cash, securities and accounts of the Treasurer's Office

We have also included certain data with respect to the City and County of San Francisco Employees' Retirement System. The accounts of the Employees' Retirement System are being examined by other independent accountants and at the date of this report, the examination had not been completed.

OPINION

In our opinion, based on the scope of examination previously described, the accompanying statements, together with the notes thereto, present fairly the position

at June 30, 1957, and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of accounting.

Yours very truly,

F. W. Lafrentz & Co.

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1957

A S S E T S	Total	Public Service Enterprises	Total	.....General City and County.....		
				Current Funds	Capital Funds	Trust and Assessment Funds
Fixed Capital:						
Properties (Exhibit F)	\$740,896,262	\$333,895,955	\$407,090,307		\$407,090,307	
Less reserve for depreciation	<u>103,933,143</u>	<u>103,933,143</u>	<u>\$407,090,307</u>		<u>\$407,090,307</u>	
	\$636,963,113	\$229,962,106				
Cash:						
On deposit with Treasurer	\$101,214,888	\$ 26,342,034	\$ 74,872,854	\$43,412,256	\$ 20,800,840	\$ 10,659,758
Cash in transit	<u>2,240,894</u>	<u>32,172</u>	<u>2,208,722</u>			<u>2,208,722</u>
Imprest funds	<u>181,960</u>	<u>52,267</u>	<u>31,200</u>	<u>51,200</u>		
	\$103,559,632	\$ 26,426,596	\$ 77,132,776	\$43,463,456	\$ 20,800,840	\$ 12,868,480
Accounts Receivable:						
Taxes receivable, current year	\$ 882,672		\$ 882,672	\$ 882,672		
Taxes receivable, prior years	<u>2,150,163</u>		<u>2,150,163</u>	<u>2,150,163</u>		
Penalties, costs and interest	<u>263,628</u>		<u>263,628</u>	<u>263,628</u>		
Franchise taxes	<u>879,170</u>		<u>879,170</u>	<u>879,170</u>		
Federal and state subventions	<u>3,066,500</u>		<u>3,066,500</u>	<u>3,066,500</u>		
Other accounts receivable	<u>7,564,352</u>	\$ 1,873,384	<u>6,691,151</u>	<u>4,527,517</u>		\$ 1,533,994
	\$19,267,108	\$ 1,873,384	\$ 13,393,724	\$11,959,730		\$ 1,533,994
Less reserves for:						
Unsecured delinquent taxes and penalties	\$ 2,297,145		\$ 2,297,145	\$ 2,297,145		
Other accounts receivable	<u>1,509,726</u>	<u>82,330</u>	<u>1,507,346</u>	<u>1,507,346</u>		
	\$ 4,206,971	<u>82,330</u>	<u>4,204,491</u>	<u>4,204,491</u>		
	\$10,960,237	\$ 1,791,004	\$ 9,169,233	\$ 7,655,239		\$ 1,533,994
Federal Aid for Public Improvements:						
Grants receivable (estimated in part)	\$ 583,738	\$ 83,525	\$ 500,213	\$ 500,213		
Less reserve for grants receivable (estimated)	<u>500,213</u>	<u>83,525</u>	<u>500,213</u>	<u>500,213</u>		
	\$ 83,525		\$ -0-	\$ -0-		
Investments:						
Securities	\$193,456,213		\$193,456,213			\$193,456,213
Other	<u>55,590</u>	<u>55,590</u>	<u>55,590</u>	<u>55,590</u>		<u>55,590</u>
	\$193,512,203		\$193,512,203			\$193,512,203
Lease Guarantee and Other Deposits	\$ 128,475		\$ 128,475			\$ 128,475
Interfund Accounts (Contra)	\$ 4,712,431	\$ 1,033,154	\$ 3,679,277	\$ 1,923,160	\$ 11,500	\$ 1,744,617
Deferred Charges:						
Materials and supplies	\$ 2,384,459	\$ 1,279,097	\$ 1,103,362	\$ 1,103,362		\$ 9,991,655
Other deferred charges	<u>26,402,697</u>	<u>7,457,421</u>	<u>18,945,276</u>	<u>8,951,621</u>		<u>9,991,655</u>
	\$28,787,156	\$ 8,736,518	\$ 20,050,638	\$10,057,183		\$ 128,475
Total	\$278,724,972	\$267,943,863	\$710,791,109	\$63,099,038	\$4,37,894,302	\$209,787,769

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1957

LIABILITIES	Total	Public Service Enterprises	General City and County			Trust and Assessment Funds
			Total	Current Funds	Capital Funds	
Bonded Debt:						
Unmatured (Exhibit G)	\$184,331,000	\$87,015,000	\$97,316,000	\$200,000	\$97,116,000	
Matured and unpaid	189,200	24,200	25,000	25,000		
	<u>\$184,360,200</u>	<u>\$87,039,200</u>	<u>\$97,341,000</u>	<u>\$225,000</u>	<u>\$97,116,000</u>	
Bond Interest:						
Accrued, not due	1,794,367	1,136,411	657,956	657,956		
Matured and unpaid	55,243	46,168	9,075	9,075		
	<u>\$1,849,610</u>	<u>\$1,182,579</u>	<u>\$668,031</u>	<u>\$666,031</u>		
Accounts payable:						
Accounts and contracts payable	\$32,199,763	\$8,115,019	\$24,084,744	\$13,387,325	\$9,263,564	\$1,433,855
Outstanding warrants and payroll deductions	5,763,736	601,633	5,162,103	3,270,877	656,469	1,234,757
Other accruals, deposits and advances	401,276	401,276				
	<u>\$38,364,775</u>	<u>\$9,117,928</u>	<u>\$29,246,847</u>	<u>\$16,658,202</u>	<u>\$9,920,033</u>	<u>\$2,668,592</u>
Interfund Accounts (Contra)	\$4,712,431	\$1,299,529	\$3,412,902	\$1,984,128	\$1,352,899	\$65,875
Deferred Credits:						
Personal property taxes for year 1957-58	\$5,559,142		\$5,559,142	\$5,559,142		
Other deferred credits	2,238,064	700,095	1,537,973	1,537,973		
	<u>\$7,797,206</u>	<u>\$700,095</u>	<u>\$7,097,121</u>	<u>\$7,097,121</u>		
Reserves:						
Reserve for accidents	\$2,649,417	2,649,417	161,003	\$32,528		\$123,471
Other reserves	1,066,336	905,133	161,003	32,528		123,471
	<u>\$3,715,753</u>	<u>\$3,554,550</u>				
Trust and Assessment Fund Balances	\$206,924,187		\$206,924,187			\$206,924,187
Surplus:						
Public Service Enterprises						
General City - current	\$165,049,592	\$165,049,592	\$36,435,222	\$36,435,222		
General City - Capital (not available for meeting General City current expense)	36,435,222					
	<u>\$200,990,104</u>	<u>\$165,049,592</u>	<u>\$36,435,222</u>	<u>\$36,435,222</u>		
General City - Capital (not available for meeting General City current expense)	139,495,150		329,495,150		\$132,455,530	
	<u>\$200,990,104</u>		<u>\$329,495,150</u>		<u>\$132,455,530</u>	
Total	\$971,734,172	\$569,441,963	\$710,731,101	\$63,099,036	\$47,034,200	\$50,055,262

The accompanying note to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1957

A S S E T S

Fixed Capital:
In service
Not in service
Less reserve for depreciation

Under construction

TotalWater
DepartmentMunicipal
RailwayHetch
Hetchy
ProjectSan Francisco
AirportPublic
Utilities
Commission

\$328,918,988	\$101,737,384	\$38,431,105	\$134,346,577	\$50,505,896	\$3,946,026
913,187	854,496	58,691	58,691		
(103,933,149)	(74,603,198)	(22,847,095)	(37,468,653)	(8,914,003)	
\$225,899,026	\$67,988,482	\$15,484,010	\$96,936,615	\$41,591,893	\$3,946,026
3,973,780	2,959,738	280,139	740,013	93,150	700
\$229,872,806	\$70,948,220	\$15,764,149	\$97,676,628	\$41,685,043	\$3,946,726
\$26,342,034	\$6,659,792	\$4,648,295	\$13,659,707	\$975,780	\$398,460
32,172	26,809	4,960	4,960	403	
52,650	30,000	15,000	4,000	2,500	1,150
\$26,426,896	\$6,689,792	\$4,690,104	\$13,668,667	\$978,683	\$399,610
\$1,873,384	\$1,155,366	\$62,636	\$298,074	\$345,670	\$11,638
82,380	30,692			40,043	11,638
\$1,791,004	\$1,124,667	\$62,636	\$298,074	\$305,627	-0-
\$83,525				\$83,525	
\$604,191	\$1,603	\$8,345	\$3,145	\$347	\$592,354
428,963		2,472	322,759	335	1,01,794
\$1,033,154	\$1,603	\$10,817	\$325,904	\$682	\$684,148
\$1,279,097	\$530,713	\$672,164	\$53,606	\$13,773	\$8,841
7,457,421	1,368,428	2,485,236	3,387,631	197,961	22,165
\$8,736,518	\$1,897,141	\$3,155,400	\$3,441,237	\$211,734	\$31,006
\$267,943,863	\$80,561,423	\$23,683,106	\$115,410,510	\$43,265,334	\$5,023,490
Total					

Accounts Receivable:
Revenues accrued and other receivables
Less reserve for other receivables

Federal Aid for Public Improvement:
Grants receivable

Interfund Accounts:
Due from General City
Due from Public Services Enterprises (contra)

Deferred Charges:
Materials and supplies
Other deferred charges

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1957

LIABILITIES

	Total	Warrants Issued After June 30, 1957	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Bonded Debt:							
Unmatured	\$ 87,015,000		\$21,974,437	\$10,670,000	\$ 45,623,563	\$ 8,747,000	
Matured and unpaid	24,200		14,000	200	10,000		
	<u>\$ 87,039,200</u>		<u>\$21,988,437</u>	<u>\$10,670,200</u>	<u>\$ 45,633,563</u>	<u>\$ 8,747,000</u>	
Bond Interest:							
Accrued, not due	\$ 1,136,411		\$ 315,000	\$ 77,976	\$ 709,230	\$ 34,205	
Matured and unpaid	46,368		8,483	1,495	35,880	500	
	<u>\$ 1,182,779</u>		<u>\$ 323,483</u>	<u>\$ 79,471</u>	<u>\$ 745,120</u>	<u>\$ 34,705</u>	
Accounts Payable:							
Accounts and contracts payable	\$ 8,115,019	\$1,135,150	\$ 1,575,755	\$ 1,556,870	\$ 3,634,675	\$ 190,893	\$ 21,676
Outstanding warrants and payroll deductions	601,633	(1,334,265)	269,394	1,167,027	93,779	59,745	345,953
Accruals due United States Government	37,712			37,712			
Consumers' deposits and construction advances	248,096		184,800		63,296		
Accrued taxes payable	<u>115,488</u>			<u>115,488</u>			
	<u>\$ 9,117,928</u>	<u>\$ (199,115)</u>	<u>\$ 2,029,949</u>	<u>\$ 2,877,077</u>	<u>\$ 3,791,750</u>	<u>\$ 250,638</u>	<u>\$ 367,629</u>
Interfund Accounts:							
Due to General City	\$ 870,566		\$ 125,616	\$ 322,677	\$ 46,889	\$ 62,674	\$ 312,710
Due to Public Service Enterprises (contra)	<u>428,563</u>	<u>\$ 199,115</u>	<u>73,664</u>	<u>74,957</u>	<u>1,788</u>	<u>77,134</u>	<u>2,367</u>
	<u>\$ 1,299,529</u>	<u>\$ 199,115</u>	<u>\$ 199,220</u>	<u>\$ 397,634</u>	<u>\$ 48,672</u>	<u>\$ 139,808</u>	<u>\$ 315,077</u>
Deferred Credits	<u>\$ 700,085</u>			<u>\$ 12,178</u>		<u>\$ 289,421</u>	<u>\$ 398,486</u>
Reserves:							
Reserve for accidents	\$ 2,669,417		\$ 710,545	\$ 2,669,417	\$ 8,855		
Other reserves	<u>905,133</u>			<u>185,933</u>			
	<u>\$ 3,574,750</u>		<u>\$ 710,545</u>	<u>\$ 2,835,350</u>	<u>\$ 8,855</u>		
Surplus (Exhibit B)	\$165,049,592		\$55,309,789	\$ 6,811,196	\$ 65,182,517	\$33,003,742	\$3,942,298
Total	<u>\$267,943,863</u>		<u>\$10,561,423</u>	<u>\$23,683,106</u>	<u>\$115,410,510</u>	<u>\$43,265,334</u>	<u>\$5,001,400</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	.....Year Ended..... June 30, 1957	June 30, 1956
REVENUES:		
Property taxes, penalties, interest and costs	\$ 93,181,568	\$ 89,361,418
State and federal subventions	46,695,346	45,060,043
Departmental service charges, etc.	8,757,344	8,278,907
Retail purchase and use tax	11,305,306	5,603,569
Fines, forfeitures, and penalties other than from property taxes	2,937,851	2,859,703
Franchise taxes	607,282	1,263,085
Licenses	663,530	665,078
Bank interest	699,822	518,865
Rentals from non-operating school property	355,847	356,767
Housing authority in lieu of taxes	129,980	143,779
Other	82,276	88,143
Transfer from capital accounts	429,641	608,416
State of California for restoration of Children's Building	5,000	
Total revenues	<u>\$165,850,793</u>	<u>\$154,807,773</u>
EXPENDITURES:		
Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government	\$ 10,787,773	\$ 10,250,985
Public safety	24,483,491	22,057,205
Highways	3,569,748	3,450,138
Sanitation	3,683,729	3,486,355
Health conservation	3,208,255	2,918,451
Hospitals	8,139,225	7,658,224
Public welfare	24,472,876	23,470,616
Corrections	2,278,679	2,184,614
Schools	37,832,750	33,965,430
Libraries	1,303,988	1,168,106
Recreation	6,132,717	5,824,208
Civil defense	230,611	185,934
Bond interest	1,835,093	1,669,775
Miscellaneous	190,333	162,653
Total departmental operating expenses	<u>\$128,149,268</u>	<u>\$118,653,094</u>
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenues	5,494,473	5,500,062
Bond redemptions	7,407,000	6,888,000
Others	361,500	10,582
Total, forward	<u>\$141,412,241</u>	<u>\$131,051,738</u>

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	.....Year Ended..... <u>June 30, 1957</u>	<u>June 30, 1956</u>
EXPENDITURES (Continued):		
Total, forwarded	\$141,412,241	\$131,051,739
Other expenditures (continued):		
Transfers to trust accounts	130,880	
Assessments, Joint Highway Districts No. 9	132,000	132,000
Contribution, Butano Forest purchase		(100,000)
Contributions to Public Service Enterprises:		
San Francisco International Airport	1,323,029	795,774
Municipal Railway	3,495,329	3,090,175
Public Utilities Commission - heat, light and power bureau	188,436	210,319
Pension costs, Employees' Retirement System	17,142,220	15,325,504
Miscellaneous	<u>(1,444,921)</u>	<u>53,972</u>
Total expenditures	\$162,379,214	\$150,567,185
Net increase in current surplus	\$ <u>3,471,579</u>	\$ <u>4,240,000</u>
CURRENT SURPLUS:		
Current surplus as shown at beginning of year, per Controller's report	\$ 32,612,742	\$ 28,419,317
Add auditor's adjustment, preceding year	<u>350,901</u>	<u>303,710</u>
Current surplus at beginning of fiscal year after auditor's adjustment	\$ 32,963,643	\$ 28,723,027
Net increase in current surplus as shown above	<u>3,471,579</u>	<u>4,240,000</u>
Current surplus, end of fiscal year	\$ <u>36,435,222</u>	\$ <u>32,963,027</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
STATEMENT OF REVENUES, EXPENSES AND SURPLUS

JUNE 30, 1957

REVENUES AND EXPENSES		Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
	Total					
Operating Revenues	\$ 46,872,848	\$13,262,961	\$20,242,262	\$ 8,834,325	\$ 2,930,972	\$1,602,328
Operating Expenses	41,235,668	9,490,302	21,973,173	5,559,203	2,610,662	1,602,328
Operating income or (loss)	\$ 5,637,180	\$ 3,772,659	\$ (1,730,911)	\$ 3,275,122	\$ 320,310	\$ -0-
Other Revenues:						
Interest earned	\$ 50,387	\$ 23,154	\$ 27,233			
Rentals	360,462	332,286		\$ 28,176		
Other	359,636	53,087	68,067	81,351	\$ 153,133	
Other Expenses:						
Bond interest	\$ 766,487	\$ 408,527	\$ 95,300	\$ 109,527	\$ 153,133	
Other	2,501,826	782,031	200,922	\$ 1,380,333	\$ 138,540	
	248,495	97,204	93,359		57,896	
	\$ 2,750,285	\$ 879,235	\$ 294,281	\$ 1,380,333	\$ 196,436	
Net income or (loss)	\$ 3,653,382	\$ 3,301,951	\$ (1,929,892)	\$ 2,004,316	\$ 277,007	\$ -0-
<u>SURPLUS</u>						
Balance, July 1, 1956	\$154,551,642	\$50,421,969	\$ 5,245,759	\$54,707,581	\$32,030,738	\$2,145,595
Adjustments, 1955-56	(79,743)					(79,743)
Net income or (loss) as above	\$154,471,899	\$50,421,969	\$ 5,245,759	\$54,707,581	\$32,030,738	\$2,065,852
Contributions from General City	3,653,382	3,301,951	(1,929,892)	2,004,316	277,007	
Contributions from Public Service Enterprises	5,006,794	3,495,329			1,323,029	188,436
Contributions from other sources	439,694			439,694		
Other additions	226,632			63,619	163,013	
	9,685,316			7,976,670	9,975	1,698,671
Deduct:	\$173,483,717	\$63,723,920	\$ 6,811,196	\$55,191,880	\$33,303,762	\$3,922,929
Contributions to Public Service Enterprises	\$ 439,694	\$ 439,694				
Other deductions	7,994,431	7,974,437		\$ 9,333		\$ 10,661
	\$ 8,434,125	\$ 8,414,131		\$ 9,333		\$ 10,661
Balance, June 30, 1957	\$165,049,592	\$55,309,789	\$ 6,811,196	\$65,182,547	\$33,803,762	\$3,942,298

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

CAPITAL SURPLUS

YEAR ENDED JUNE 30, 1957

Balance, July 1, 1956		\$316,504,699
Add:		
Transfers from current accounts:		
Bond redemptions	\$7,407,000	
Capital additions from revenues	5,494,473	
Other	<u>361,500</u>	13,262,973
Transfers from trust accounts:		
Capital additions - State Highway Trust		29,099
Profit on sale of capital assets:		
General City Departments		25,736
Parking lot rentals:		
1947 off-street parking bonds		<u>22,454</u>
		\$329,924,991
Deduct capital funds transferred to current accounts		<u>429,541</u>
Balance, June 30, 1957		<u>\$329,495,350</u>

The accompanying notes to financial statements are an integral part hereof.

AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SUMMARY OF FIXED ASSETS

JUNE 30, 1957

General City and San Francisco Unified School District:		Total	Land	Structures and Improvements	Equipment
Current year additions, net:					
General Government:		\$ 277,796		\$ 97,178	\$ 180,618
Public Safety:		945,631	\$ (101,248)	959,179	87,700
Fire Department		1,119,316	750,497	136,949	231,870
Police Department		15,367		2,422	12,945
Department of Electricity					
Highways:					
Streets, tunnels, bridges, etc.		2,632,786	645,996	1,906,412	80,378
Asphalt plant		(59,183)		(59,183)	
Off-street parking		1,597,488	1,583,576	4,242	
Sanitation:					
Sewers and sewer disposal plants		1,477,011	(7,549)	1,428,468	56,092
Street Cleaning Department		70,148			70,148
Health Conservation:					
Hassler Health Home		18,711		12,701	6,010
Civic Center Health Building		21,886			21,886
Other		9,394	9,394		
Hospitals:					
San Francisco Hospital		586,816		511,442	75,374
Emergency Hospitals		4,506			4,506
Public Welfare:					
Laguna Honda Home		1,611,031		1,586,519	24,512
Welfare Department		16,434		1,986	14,448
Corrections:					
County jails		7,958		7,958	10,666
Youth Guidance Center		24,500		13,834	11,109
Juvenile Log Cabin Ranch		89,099		77,990	571,552
Schools		4,701,013	(110,208)	4,239,669	22,189
Libraries		201,361		179,172	
Recreation:					
Playgrounds and swimming pools		1,555,114	130,295	1,376,971	47,848
Museums, art galleries, etc.		139,317		131,013	8,304
War Memorial and Opera House		1,375			1,375
Parks and squares		897,443		591,125	71,897
Auditorium		12,435		12,064	371
Exhibit Hall		109,421	224,421	109,421	
Golf Links		93,330		93,330	
Kezar Stadium		131		131	
Other:					
Central warehouse and corporation yard		197,446	189,846	7,600	
Retirement system		(40,000)	(40,000)		
Miscellaneous		37,960		6,358	31,602
Prior years' additions		\$ 18,343,311	\$ 3,275,020	\$ 13,424,971	\$ 1,643,340
		388,746,926	61,219,039	298,218,886	29,309,131
Total General City		\$407,090,307	\$64,494,059	\$311,643,777	\$30,952,471

CITY AND COUNTY OF SAN FRANCISCO
AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SUMMARY OF FIXED ASSETS

JUNE 30, 1957

	Total
Total General City	<u>\$407,000,307</u>
Public Service Enterprises:	
Current year additions, net:	
Water Department	\$ 3,083,846
Municipal Railway	(1,264,812)
Hetch Hetchy Project	898,059
San Francisco Airport	429,782
Public Utilities Commission	<u>147,425</u>
Prior years' additions	\$ 3,282,300
Total Public Service Enterprises	<u>\$30,511,655</u>
Total fixed assets, City and County of San Francisco	<u>\$333,095,955</u>
	<u>\$740,896,262</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS, JUNE 30, 1957

GENERAL CITY:

Schools:

	<u>Date of</u> <u>Issue</u>	<u>Interest Rate</u> <u>Percent</u>		
1923 School	March 1, 1923	5	\$ 3,000,000	
1948 School:				
Series A	March 1, 1949	1-1/4 and 1-1/2	3,900,000	
Series B	April 1, 1951	1-3/4	6,928,000	
Series C	March 1, 1952	1-1/2	7,600,000	
Series D	December 1, 1952	1-3/4	9,000,000	
Series E	August 1, 1953	2-1/2	3,840,000	
Series F	March 1, 1954	1 to 1-3/4	2,400,000	
Series G	April 1, 1955	1-3/4 and 6	3,800,000	
Series H	April 1, 1957	2-1/2 to 6	<u>990,000</u>	\$ 41,458,000

Juvenile Court:

1948 Juvenile Court and Detention Home:				
Series A	August 1, 1948	1-3/4	\$ 434,000	
Series B	November 1, 1949	1-1/4 and 1-1/2	<u>512,000</u>	946,000

Boulevards and Roads:

1931 Boulevards and Roads	February 1, 1931	4-1/2	\$ 108,000	
1947 Street Improvement:				
Series A	February 1, 1948	2	300,000	
Series B	August 1, 1949	1-1/4 and 1-1/2	1,112,000	
Series C	November 1, 1949	1-1/4 and 1-1/2	3,120,000	
Series D	September 1, 1950	1-1/4 and 1-1/2	522,000	
Series E	March 1, 1952	1-1/2	1,925,000	
Series F	December 1, 1952	1-3/4	900,000	
Series G	March 1, 1954	1 and 1-1/4	700,000	
Series H	January 1, 1956	2 to 6	1,215,000	
Series I	April 1, 1957	2 to 6	<u>2,800,000</u>	12,702,000

Sewers:

1933 Sewer	December 1, 1933	4	\$ 545,000	
1944 Sewer:				
Series B	February 1, 1948	2 and 2-1/2	3,198,000	
1948 Sewage Treatment:				
Series A	August 1, 1949	1-1/4 and 1-1/2	4,205,000	
Series B	November 1, 1949	1-1/4 and 1-1/2	1,672,000	
Series C	March 1, 1952	1-1/2	1,600,000	
Series D	March 1, 1954	1 and 1-1/4	700,000	
Series E	January 1, 1956	2 to 6	975,000	
1954 Sewer:				
Series A	January 1, 1956	2 to 6	<u>2,435,000</u>	15,330,000

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS, JUNE 30, 1957

	<u>Date of Issue</u>	<u>Interest Rate Percent</u>		
Parks and Playgrounds:				
1931 Public Parks and Squares	February 1, 1931	4-1/2	\$ 168,000	
1931 Playgrounds	February 1, 1931	4-1/2	24,000	
1947 Recreation:				
Series A	August 1, 1948	1-3/4	558,000	
Series B	November 1, 1949	1-1/4 and 1-1/2	712,000	
Series C	September 1, 1950	1-1/4 and 1-1/2	1,378,000	
Series D	August 1, 1953	2-1/2	1,990,000	
Series E	April 1, 1955	1-3/4 and 5-1/4	1,040,000	
Series F	January 1, 1956	2 to 6	1,460,000	
Series G	April 1, 1957	2-1/4 to 6	<u>1,170,000</u>	\$ 8,500,000
Off-Street Parking:				
1947 Off-Street Parkings:				
Series A	March 1, 1952	1-1/2	\$ 400,000	
Series B	January 1, 1956	2 to 6	<u>1,950,000</u>	2,350,000
Hospitals:				
1954 San Francisco Hospital:				
Series A	January 1, 1956	2 to 6	\$ 1,460,000	
1954 Laguna Honda Home and Hospital:				
Series A	January 1, 1956	2 to 6	2,435,000	
Series B	April 1, 1957	2-1/4 to 6	<u>2,500,000</u>	6,395,000
Fire Protection:				
1952 Firehouse:				
Series A	April 1, 1955	1-3/4 to 6	\$ 1,710,000	
Series B	January 1, 1956	2 to 6	975,000	
Series C	April 1, 1957	2-1/4 to 6	<u>1,400,000</u>	4,085,000
1954 Exhibit Hall:				
Series A	April 1, 1957	2-1/4 to 6		3,275,000
1956 Hall of Justice:				
Series A	April 1, 1957	2-1/4 to 6		1,475,000
City Hall and Civic Center	July 1, 1912	5		<u>800,000</u>
Total General City, forward			\$ 97,316,000	

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS, JUNE 30, 1957

Total General City, forwarded

\$ 97,316,000

PUBLIC SERVICE ENTERPRISES:

Hetch Hetchy Water Supply and Power Project

\$21,974,437

San Francisco Water Department

45,623,563

Municipal Railway of San Francisco

10,670,000

San Francisco International Airport

8,747,000

Total Public Service Enterprises

87,015,000

Total Bonded Indebtedness

\$184,331,000

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE OF THE CONTROLLER

JUNE 30, 1957

1. Authorized but unissued bonds:

The following is a summary of unissued bonds as at June 30, 1957:

1947 Street Improvement	\$ 2,900,000
1947 Off-Street Parking	2,000,000
1948 Sewage Treatment	450,000
1952 Fire House	550,000
1954 Sewer	10,145,000
1954 Laguna Honda Home and Hospital	475,000
1954 Recreation Center	5,000,000
1954 San Francisco Hospital	4,330,000
1955 Playground and Recreation Center	7,000,000
1955 Hetch Hetchy Power	44,000,000
1956 Hall of Justice	10,000,000
1956 Schools	27,000,000
1956 San Francisco International Airport	<u>25,000,000</u>
Total	<u>\$146,550,000</u>

2. Unallocated tax appropriations, Employees' Retirement Fund:

For the year ended June 30, 1957, taxes apportioned to the Employees' Retirement System for pension costs have exceeded actual costs by \$21,553, as follows:

Excess to June 30, 1956	\$190,213
Deduct amount returned to General City during 1956-57	<u>168,660</u>
Balance	-3-
Add amount apportioned or advanced to Employees' Retirement System for the current year	\$12,137,955
Less charges for current and prior service and other costs	<u>12,116,402</u>
Excess, June 30, 1957	<u>\$ 21,553</u>

In compliance with provisions of Section 50 of the Charter, this balance will be transferred back to the General Fund.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, etc. (Continued)

3. Fixed capital properties:

The amount of \$740,896,262 does not purport to represent the cost of properties and equipment presently owned by the City and County. The principal reasons are as follows:

- A. A substantial but undetermined portion of expenditures on interdepartmental work orders in progress at the end of the fiscal year (\$5,461,616 at June 30, 1957, and \$1,767,680 at June 30, 1956) is applicable to land, structures or equipment, but such expenditures are not charged to fixed assets until each of the several jobs is completed.
- B. An equity of approximately \$702,200 has been acquired in parking meters (including \$5,900 during the year under review) which, together with the balance of \$3,100 owing at June 30, 1957, on meters installed to that date, has not been taken up on the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.
- C. Construction contracts in progress, amounting to \$8,909,861 at June 30, 1957, are included under the deferred charge caption on the foregoing balance sheet. Attention is directed to Note 6 in further reference to this subject.
- D. Certain of the properties are recorded at appraised values.
- E. Equipment disposals, other than those by the San Francisco Unified School District, are not recorded in the accounts.

4. Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District as at June 30, 1957, aggregating approximately \$26,000,000 and \$100,000 respectively; also, there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$26,000,000 against the City and County, were claims aggregating approximately \$17,629,000 against the Municipal Railway for which the Railway has provided a reserve of \$2,649,417. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's report for the Water Department and Hetch Hetchy Project refers to contingent liabilities for various property damage, personal injury and water rate suits indeterminate in amount.

The Retirement Board has estimated the reserve requirements at June 30, 1957, for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,502,536. The applicable share has been reserved and included in the statements of the Water Department, Hetch Hetchy Project and the Municipal

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, etc. (Continued)

Railway; however, no provision has been made by any other department of the municipality. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is also the practice of the municipality to have an actuarial estimate made once every six years of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1957, show:

- A. Net income of \$1,743,778 after provision for bond interest and after a charge of \$224,942 for equipment and betterments.
- B. Bonds outstanding at June 30, 1957, amounted to \$28,000,000. These mature as follows:

<u>Year</u>	<u>Amount</u>
1957	\$ 1,200,000
1958-1961	4,800,000
1962-1966	8,000,000
1967-1971	<u>14,000,000</u>
Total	<u>\$28,000,000</u>

- C. A sinking fund for retirement of bonded debt amounting to \$7,611,879 at June 30, 1957.
- D. That the District will be liable in the sum of \$5,000,000 to the State of California in connection with the new Marin County approach, payable after the present bonded indebtedness of the District shall have been paid.

5. Amounts, June 30, 1956:

The figures for the year ended June 30, 1956, are presented, for the purpose of comparison, as shown by the report of other accountants, and are not covered by the accompanying accountants' opinion.

6. Other deferred charges:

Included in the deferred charge category on the foregoing balance sheet are incomplete contracts, purchase orders, service orders, etc., to outsiders in the

amount of \$8,753,040. Heretofore, such amounts were reflected as expenditures. It is the opinion of the Controller's Office, in which we concur, since these purchase orders, service orders, etc., to outsiders are incomplete, that the amount is substantially greater than the prior year (\$4,030,387 at June 30, 1956), and that the ultimate disposition of many of the items is not readily ascertainable (at June 30, 1957), i.e. capital or expense, deferring such amounts is more representative of the financial position of the City and County of San Francisco and the San Francisco Unified School District.

If such contracts, purchase orders, service orders, etc., to outsiders had been reflected as expenditures as in prior years, the total expenditures in Exhibit C would be increased by \$8,753,040, and current surplus decreased by a like amount.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THEREON, JUNE 30, 1957

<u>Cash</u>	<u>Receivables</u>	<u>Other Resources</u>	<u>Investments</u>	<u>Interfund Accounts</u>	<u>Total</u>	
\$ 35,540,430	\$11,712,247	\$ 500,213		\$19,005,050	\$ 67,666,746	General City and County Fundst
13,790,040		77,650,000		4,074,322	101,714,970	Current
5,200,452	1,533,654		\$193,512,203	1,005,005	202,139,314	Capital
2,003,764	341			100	2,004,271	Public trusts
12,343					12,343	Private trusts
2,232,351				1,165	2,234,058	Assessment and redemption Agency
\$ 65,650,554	\$13,246,242	\$ 78,350,213	\$193,512,203	\$25,046,528	\$376,611,740	To record:
51,200					51,200	Revolving funds
	\$ 147,403				147,403	School department tuition
				\$ 23,700	23,700	Additional liabilities
				21,553	21,553	Excess retirement contribution - net
						Unused tax apportionment - Retirement
					6,225,037	To reclassify:
6,225,037						Warrants recorded in June, issued in July
\$ 71,936,751	\$13,393,725	\$ 78,350,213	\$193,512,203	\$25,391,861	\$383,034,793	Public Service Enterprise Fundst
\$ 13,534,998	\$ 499,371	\$ 44,000,000		\$ 171,520	\$ 55,195,189	Hetch Hetchy
6,307,915	1,207,042			956,011	8,561,769	Water Department
3,506,393	95,471			12,222	3,604,076	Municipal Railway
915,937	347,476	25,083,525		130,547	28,477,465	Airport
52,555	11,838			768,148	770,224	Public Utilities Commission
\$ 24,367,741	\$ 2,150,998	\$ 69,083,525		\$ 2,007,546	\$ 97,609,812	To record:
52,650					52,650	Revolving Funds
	(6,025)				(6,025)	Write-off of Airport disputed receivables
	(72,475)				(72,475)	Audit adjustments
	(199,115)			199,115		To reclassify:
1,334,265					1,334,265	Hetch hetchy receivable from Public Utilities Commission
						Warrants recorded in June, issued in July
						For statement purposes - Reserve - Airport
						(Receivables in litigation)
						Advance rental and other miscellaneous receipts,
						unamortized bond premium, deposits, etc.
						Cash in transit
25,175,150	1,123,383	69,083,525		2,206,663	98,195,227	
\$ 97,691,447	\$15,267,108	\$147,433,738	\$193,512,203	\$25,098,524	\$482,003,020	Total City and County of San Francisco

<u>Total</u>	<u>Encumbrances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Cash Reserves</u>	<u>Reserves</u>	<u>Trust and Assessment</u>	<u>Unencumbered Appropriations</u>	<u>Unap- propriated</u>
\$ 67,646,746	\$ 8,753,040	\$16,269,508	\$6,958,041	\$8,939,067	\$4,268,732		\$ 15,314,466	\$ 7,143,896
101,714,970	8,909,860	9,257,709					54,515,171	29,032,236
202,139,314	105,770	44,745				\$201,988,799		
2,064,271	235	7,574				2,056,462		
12,343						12,343		
<u>2,224,038</u>	<u>11,579</u>	<u>6,335</u>				<u>2,215,182</u>		
\$376,611,740	\$17,780,484	\$25,585,871	\$6,958,041	\$8,939,067	\$4,268,732	\$207,073,786	\$ 69,829,639	\$36,176,120
51,200								51,200
147,483								147,483
	75,222						(75,222)	
23,780		23,780				(23,780)	23,780	
21,553		21,553				(21,553)		21,553
<u>6,229,037</u>	<u>6,229,037</u>							
\$383,084,793	\$24,084,743	\$25,631,204	\$6,958,041	\$8,939,067	\$4,268,732	\$207,028,453	\$ 69,778,197	\$36,335,356
\$ 58,196,189	\$ 3,613,513	\$ 161,295			\$1,263,760		\$ 23,726,480	\$29,431,141
8,561,768	1,524,647	1,132,524			1,414,818		4,243,045	245,734
3,604,076	1,529,030	419,655			26,810		703,013	925,560
26,477,485	181,755	240,039			356,009		3,415,412	22,204,200
<u>770,294</u>	<u>21,676</u>	<u>314,692</u>			<u>11,638</u>		<u>422,243</u>	<u>45</u>
\$ 97,609,812	\$ 6,870,621	\$ 2,268,205			\$3,073,035		\$ 32,510,193	\$52,507,758
52,650								52,650
(6,025)					(6,025)			
(72,475)	113,249				(800)		(184,924)	
1,334,265	1,135,150	199,115						
			\$247,522		(247,522)			
			40,033					(40,033)
					(32,172)			32,172
\$ 98,918,227	\$ 8,119,020	\$ 2,467,320	\$ 287,555		\$2,786,516		\$ 32,325,269	\$52,932,547
\$482,003,020	\$32,203,763	\$28,098,524	\$7,245,596	\$8,939,067	\$7,055,248	\$207,028,453	\$102,103,466	\$89,325,703

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS

JUNE 30, 1957

Cash	Receivables	Other Resources	Interfund Accounts	Total	
\$ 1,711,298	\$ 2,817,372		\$ 809,954	\$ 809,954	General Fund, 1957-58
978,560	24,068		10,919,497	15,448,167	General Fund, 1956-57
1,103,600	2,904		24,484	1,027,112	General Fund, Prior Years
119,322	5,324		131,449	1,237,953	Recreation and Park
85,899	520			124,646	Library
29,359				86,419	War Memorial
91,104				29,359	California Palace of the Legion of Honor
30,407			2,500	91,104	de Young Museum
59,739				32,907	Publicity and Advertising
4,605,870	218,537			59,739	Special Election
4,791,781	845,351	\$500,213	262,162	5,086,569	Special Road Improvement
214,405	48,984		1,773	6,139,118	San Francisco Unified School District
77,969	8,326			263,389	School Cafeteria
11,105,048	1,447,434		102,078	86,295	Child Care Centers
	309,748			12,654,560	Special Gas Tax Street Improvement
45,167	234,340		2,177,548	309,748	Employees' Retirement - Current
4,416,154	2,028,878		4,737,117	2,457,055	Bond Interest and Redemption
780,361			717,288	11,182,149	Cash Reserve
25,617				1,497,649	Emergency Reserve
102,824	3,117,149			25,617	Embarcadero Widening
	337,312			3,219,973	Capital Improvement
(167,930)				266,000	Alcoholic Beverage License Subsidy
(171,332)				337,312	Tuberculosis Aid Subsidy
(103,236)				(167,930)	Auditorium
				(171,332)	Firemen's Relief and Pension
				(103,236)	Police Relief and Pension
					Unapportioned Funds:
938				938	Tax Collector's Taxes
109				109	Redemption of Property
56,261				56,261	Delinquent Tax Installments
5,559,142				5,559,142	Assessor's Personal Property Taxes
<u>\$35,548,436</u>	<u>\$11,712,247</u>	<u>\$500,213</u>	<u>\$19,885,850</u>	<u>\$57,646,746</u>	

<u>Total</u>	<u>Encumbrances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Cash Reserves</u>	<u>Reserves</u>	<u>Unencumbered Appropriations</u>	<u>Unappro- priations</u>
\$ 809,954							\$ 809,954
15,448,167	\$5,351,009	\$ 3,505,652	\$1,289,424		\$1,919,050	\$ 3,383,032	
1,027,112	85,343	767,205	6,500		23,131	144,233	
1,237,953	120,083	398,092	45,667		18,292	655,819	
124,646	43,886	54,440			5,325	20,995	
86,419	6,689	10,271			520	68,739	
29,359	7,436	19,402				2,521	
91,104	9,341	45,001				36,762	
32,907	27,211	3,603				2,093	
59,739						50,000	9,739
5,066,569	249,202	973,960				2,165,504	1,697,063
6,139,118	2,835,512	1,536,209			481,788	131,074	1,154,515
263,389		37				5,000	258,322
86,295	15,290	3,134			1,509	5,013	61,349
12,654,560	2,038	2,926,203				7,119,464	2,606,555
309,748		127,779			181,769		
2,457,055		2,200,000			212,912		44,143
11,182,149		818,646		\$8,939,067	1,424,436		
1,497,649						1,497,649	
25,617						25,617	
3,219,973		2,276,362				53	943,558
266,000		266,000					
337,312		337,312					
(167,930)							(167,930)
(171,332)							(171,332)
(103,236)							(103,236)
938			938				
109			109				
56,261			56,261				
5,559,142			5,559,142				
<u>\$57,646,746</u>	<u>\$3,753,040</u>	<u>\$16,269,508</u>	<u>\$6,958,041</u>	<u>\$8,939,067</u>	<u>\$4,268,732</u>	<u>\$15,314,468</u>	<u>\$7,143,390</u>

CITY AND COUNTY OF SAN FRANCISCO
AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - CAPITAL FUNDS

JUNE 30, 1977

Cash	Unsold Bonds	Interfund Accounts	Total	Bond Funds:	Encumbrances	Interfund Accounts	Uncumbered Appropriations	Unappropriated
\$ 7,245			\$ 7,245	1933 Sewer			\$ 5,400	\$ 1,755
1,283,801			1,283,801	1944 Sewer			642,338	507,409
28,319			28,319	1944 Juvenile Home and Court and			25,597	2,812
				1948 Juvenile Court and Detention Home				
3,511,245	\$ 2,900,000		6,411,245	1947 Street Improvement	366,405	1,086,281	4,841,837	116,722
1,416,272			1,416,272	1947 Recreation	698,788	26,261	443,925	247,298
575,957	2,000,000		2,575,957	1947 Off-Street Parking	577	5,000	2,205,170	365,210
2,096,347		36	2,096,347	1948 School	1,514,764	40,426	406,902	44,235
652,311	450,000		1,102,574	1948 Sewage Treatment	18,341	537,804	440,623	105,806
1,091,709	550,000		1,641,709	1952 Firehouse	410,555	46,288	940,849	244,017
638,244	10,145,000		10,783,244	1954 Sewer	611,790	792,532	9,372,922	6,000
1,271,135	4,330,000	284,283	5,885,938	1954 San Francisco Hospital	166,367	1,589,841	4,129,730	
3,319,436	475,000		3,794,436	1954 Laguna Honda Home and Hospital	772,695	999,206	2,062,535	
2,199,420		3,777,983	5,977,403	1954 Exhibit Hall	2,874,803	3,082,972	19,628	
	5,000,000		5,000,000	1954 Recreation Center	361,709	866,420	3,257,880	5,000,000
452,639	16,000,000	11,590	16,464,139	1955 Playgrounds and Recreation Centers	7,464,139	129,810	25,429	2,978,130
693,071	18,000,000		18,693,071	1956 Hall of Justice	722,432	25,429	17,801,400	17,801,400
59,250	27,000,000		27,059,250	1956 School	390,414	72,195	25,386,441	1,210,000
				Real Property Funds:				
123,430			123,430	General City			46,120	277,310
164,590			164,590	San Francisco Unified School District			60,464	124,126
\$19,730,648	\$77,870,000	\$4,074,322	\$101,714,970		\$89,860	\$9,257,709	\$74,515,171	\$23,032,230

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30, 1957

Cash	Receivables	Investments	Interfund Accounts	Total	Employees' Retirement System	Bequests:	Encumbrances	Interfund Accounts	Fund Balances
\$4,183,626	\$1,437,429	\$192,951,514	\$1,885,005	\$200,517,574	Employees' Retirement System	Bequests:	\$23,811	\$8,160	\$200,485,600
436	12	1,999		2,449	Beardslee	Brunetti			2,449
1,255		94		1,349	Fallon	Fallon			1,349
261				261	Fuhrman - Joint	Fuhrman - Joint			261
1,666		50,990		52,656	Fuhrman - Liberty	Fuhrman - Liberty	1,103		52,656
8,120	1,434	116,872		126,226	Fuhrman - Park	Fuhrman - Park		100	125,023
11,687		74,977		86,664	Herzstein	Herzstein		5,000	81,664
823	133	11,378		12,334	Lewis	Lewis			12,334
1,501		2,000		3,501	Lux	Lux			3,501
28,172				28,172	Marx	Marx	3,540	1,507	23,125
836	85	2,071		9,992	McLean	McLean			9,992
2,563	17	6,999		7,985	Nelson	Nelson			7,985
318	22	979		2,563	Olsen	Olsen	150		2,413
6,992	416	40,000		1,819	Robinson	Robinson			1,819
6,587				47,408	Sneide	Sneide			47,408
1,149				6,587	Steinberg	Steinberg			6,587
10,176		5,000		15,176	Steinbrunn	Steinbrunn	135		15,176
2,152				2,152	Soy	Soy			2,152
16,322	1,118	204,936		222,376	Stryling	Stryling		3,596	218,780
184	10	5,000		5,194	Sutro	Sutro		120	5,074
342				342	Wilbert	Wilbert			342
1,160	91	15,009		16,260	Arabic Book Fund	Arabic Book Fund			16,260
1,25				125	Board of Trustees - Legion of Honor	Board of Trustees - Legion of Honor			125
7,929				7,929	De Young Museum Art Trust	De Young Museum Art Trust			7,929
2,418				2,418	Fund for the Advancement of Education	Fund for the Advancement of Education	8,943		2,418
184,962				184,962	Health Service	Health Service		4,189	176,019
410,710				410,710	Infantile Paralysis	Infantile Paralysis			406,521
2,028				2,028	Laguna Honda Home - Gift Fund	Laguna Honda Home - Gift Fund			2,028
3,504				3,504	Laguna Honda Workshop	Laguna Honda Workshop			3,504
3,653				3,653	Musicians Club	Musicians Club		70	3,469
57				57	P.P.I.E. Trust	P.P.I.E. Trust		164	57
2,941	110	15,505		18,036	Police Range	Police Range			18,036
324				324	Recreation and Park Gift Fund	Recreation and Park Gift Fund			324
20				20	San Francisco Hospital - Children's Ward	San Francisco Hospital - Children's Ward			20
1,195				1,195	Social Service	Social Service			1,195
110				110	Special Alameda Book Fund	Special Alameda Book Fund			110
165				165	State Highway	State Highway			165
7,109	30,777			39,886	Storyland Fund	Storyland Fund		25,489	10,422
203,006				203,006	Tuberculosis Trust	Tuberculosis Trust			191,416
114				114	Veterans' Education - School	Veterans' Education - School			114
30				30	Bay Area Air Pollution Control District	Bay Area Air Pollution Control District		300	30
40,473				40,473					40,473
\$4,088,452	\$1,571,654	\$191,514,203	\$1,889,005	\$200,114,314			\$105,720	\$44,395	\$200,068,299

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30, 1957

Cash	Receivables	Interfund Accounts	Total	Absent Creditors	Total	Encumbrances	Interfund Accounts	Fund Balances
\$ 394			\$ 394					
23,896			23,896	Absent Heirs	23,896			23,896
43,291			43,291	Adult Probation Officers' Deposit	43,291			43,291
21,555			21,555	Adult Probation Officers' Clearing Account	21,555			21,555
4,500			4,500	Arsoner's Unclaimed Money	4,500			4,500
433,878			433,878	County Clerk's Bail	433,878			433,878
1,077			1,077	County Clerk Special	1,077			1,077
28,862			28,862	de Young Museum	28,862			28,862
1,523			1,523	Duplicate Taxes	1,523			1,523
17,461			17,461	Electrical Deposits	17,461			17,461
16,061			16,061	Jail Stores Deposits	16,061			16,061
1,560			1,560	Juvenile Court Deposits	1,560	\$ 12		1,560
460			460	California Palace of the Legion of Honor	460			460
56,300			56,300	Library Card Deposits	56,300			56,300
163,609			163,609	Municipal Court Bail	163,609			163,609
1,749			1,749	Municipal Court Special	1,749			1,749
36,329			36,329	Police Department Deposits	36,329			36,329
88,854			88,854	Realty Deposits	88,854			88,854
88,688			88,688	Refundable Deposits, Department of Public Works	88,688			88,688
7,335			7,335	Sheriff's Trust	7,335			7,335
125			125	Sheriff's Innate Welfare Fund	125	223		125
465			465	Special Badge	465			465
1,249			1,249	Street Improvement	1,249			1,249
18,788			18,788	Street Improvement - Ordinance 1934	18,788			18,788
237,924			237,924	Tunnel Assessment Refund	237,924			237,924
74,564			74,564	Tunnel Assessment Refund	74,564			74,564
816,582			816,582	Voluntary Payroll Deductions	816,582			816,582
288,765			288,765	War Bonds	288,765			288,765
418,551			418,551	Withholding Tax - General	418,551			418,551
37,697			37,697	Withholding Tax - Municipal Railway	37,697			37,697
155			155	Withholding Tax - San Francisco Unified School District	155			155
365			365	F. I. C. A. Taxes - Municipal Railway	365			365
244			244	F. I. C. A. Taxes - Redevelopment Agency	244			244
				F. I. C. A. Taxes - Parking Authority				
				F. I. C. A. Taxes - Air Pollution Control				
				California Unemployment Taxes - Redevelopment Agency				
\$2,963,744	\$341	\$186	\$2,964,271		\$2,964,271	\$215	\$7,574	\$2,956,462

INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1957

Cash	Interfund Accounts	Total	Assessment and Redemption Funds:	Total	Encumbrances	Interfund Accounts	Fund Balances
\$ 1,302	\$	\$ 1,302	Circular Avenue Assessment	\$			1,302
4,233		4,233	City Lands Assessment				4,233
938		938	City Lands Redemption				938
3,623		3,623	Oakwood Street Assessments				3,623
142		142	Sakwood Street Assessments				142
64		64	Sakwood Street Assessments				64
461		461	Virginia Avenue Assessments				461
1,550		1,550	Virginia Avenue Assessments				1,550
<u>12,343</u>	<u>\$</u>	<u>\$ 12,343</u>		<u>\$</u>			<u>12,343</u>
			Agency Funds:				
3,836	\$	3,836	State Consumers' Use Tax	\$			3,836
542,601		542,601	State County Fair		\$11,579	\$1,500	529,522
11,990		11,990	State Fines and Forfeitures				11,990
318,483		318,483	State Inheritance taxes				318,483
75		75	State Inheritance taxes - refund				75
4,214	\$1,165	4,214	State Sales tax				4,214
14,575		14,575	State Teachers' Annuity Deposits				14,575
17,329		17,329	State Teachers' Retirement Permanent				17,329
19,403		19,403	Redevelopment Agency - Survey and Planning				19,403
1,301,650		1,301,650	Redevelopment Agency - Project Expenditures		4,835		1,296,815
<u>2,232,931</u>	<u>\$1,165</u>	<u>\$2,234,096</u>		<u>\$2,234,096</u>	<u>\$11,579</u>	<u>\$6,335</u>	<u>\$2,216,182</u>

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

INDIVIDUAL FUND BALANCE SHEETS, MAR. 30, 1957

	Cash	Receivables	Other Resources	Interfund Accounts	Total	Encumbrances	Interfund Accounts	Reserves	Unencumbered Appropriations	Unappropriated
Hetch Hetchy:										
Operating	\$ 1,407,315	\$ 499,371		\$ 171,880	\$ 2,077,106	\$ 287,897	\$ 106,597	\$ 4,960	\$ 566,164	\$ 1,111,531
Bond Interest and Redemption	1,250,800				1,250,800			1,250,800		
1947 Water Bonds	82,424				82,424				82,424	
1949 Cherry Valley Dam Bonds	1,117,880				1,117,880				1,034,970	69,036
1955 Hetch Hetchy Power	316,603		\$44,000,000		531,603	3,124,684	482		22,683,155	28,283,178
	\$13,282,723	\$ 499,371	\$44,000,000	\$ 171,880	\$58,156,189	\$3,643,513	\$ 161,295	\$1,263,760	\$3,726,450	\$29,431,141
Water Department:										
Operating	\$ 5,047,972	\$1,207,042		\$ 986,811	\$ 7,241,825	\$1,528,647	\$1,132,524	\$ 99,818	\$ 4,238,102	\$ 246,734
Bond Interest and Redemption	1,315,000				1,315,000			1,315,000		
Real Property	4,983				4,983				4,983	
	\$ 6,367,915	\$1,207,042		\$ 986,811	\$ 8,561,768	\$1,528,647	\$1,132,524	\$1,414,818	\$ 4,243,085	\$ 246,734
Municipal Railway:										
Operating	\$ 3,434,083	\$ 65,471		\$ 11,901	\$ 3,536,255	\$1,447,454	\$ 419,695	\$ 26,810	\$ 676,768	\$ 925,568
1947 Municipal Railway Rehabilitation	37,500			321	67,821	\$1,477,612			26,245	
	\$ 3,700,383	\$ 65,471		\$ 12,222	\$ 3,604,076	\$1,529,030	\$ 419,695	\$ 26,810	\$ 703,013	\$ 925,568
Airport:										
Operating	\$ 474,250	\$ 347,476		\$ 682	\$ 824,716	\$ 17,350	\$ 81,066	\$ 356,009	\$ 7,721	\$ 362,970
1945 Airport Bonds	20,000				20,000					20,000
1949 Airport Bonds	93,311				136,256	25,439			110,917	
1956 Airport Bonds	227,450				313,980	62	7,523		306,335	
Federal Airport Project	1,047		\$25,000,000		25,018,507	118,504	21,538		2,986,945	21,892,000
	\$1,275		63,522		156,800	20,000	124,912		3,824	3,104
	\$1,275				\$26,477,495	\$18,795	\$20,039	\$ 356,009	\$ 3,415,412	\$22,284,270
Public Utilities Commission										
Operating	\$ 215,527	\$ 347,476	\$25,083,525	\$ 130,547	\$26,477,495	\$ 21,676	\$ 314,692	\$ 11,638	\$ 422,243	\$ 45
	\$ 215,527	\$ 347,476	\$25,083,525	\$ 130,547	\$26,477,495	\$ 21,676	\$ 314,692	\$ 11,638	\$ 422,243	\$ 45
	\$24,387,741	\$2,150,998	\$9,083,525	\$2,007,548	\$37,629,812	\$6,870,621	\$2,263,205	\$3,073,035	\$32,510,193	\$32,887,758

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1977

A S S E T S		Total	Fixed Capital Assets	Cash	Accounts Receivables	Federal Aid for Public Improvements	Other Resources	Investments	Deposits	Interfund Accounts	Deferred Charges
Proprietary Balance Sheet - Exhibit A		\$278,724,972	\$636,963,113	\$103,559,632	\$10,930,237	\$83,525		\$193,512,203	\$123,475	\$4,712,431	\$28,795,356
Deduct:											
Fixed capital assets		\$636,963,113	\$636,963,113								
Barriers and playground equipment		5,763,736		\$5,763,736							
Bonds matured - unpaid		55,249		55,249							
Bonds matured - unpaid		49,200		49,200							
Inventories and deferred charges		28,795,356									
Federal aid for public improvements		83,525				\$83,525			\$123,475		
Reserves - securities deposits on leases		128,475							\$128,475		
Total		\$671,828,654	\$636,963,113	\$5,868,185		\$83,525			\$128,475		\$28,795,356
Add:											
Accounts receivable reserves		\$4,870,609			\$4,286,871		\$583,738				
Bonds unpaid (Note 1)		146,890,000					146,890,000				
Interfund accounts		23,386,093								\$23,386,093	
Total		\$175,106,702			\$4,286,871		\$147,433,738			\$23,386,093	
Funds Balance Sheet - Exhibit B		\$848,003,020	\$ -0-	\$97,691,447	\$15,267,108	\$ -0-	\$147,433,738	\$193,512,203	\$ -0-	\$23,386,093	\$28,795,356

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1957-

LIABILITIES AND SURPLUS

Proprietary Balance Sheet - Exhibit A

Deduct:

- Bonded debt and interest maturing after July 1, 1957
- Fixed capital assets
- Bond interest matured - unpaid
- Bonds matured - unpaid
- Bond interest maturing on July 1, 1957
- Bonds maturing on July 1, 1957 on leases
- Warrants and payroll deductions outstanding
- Federal aid for public improvements
- Inventories and deferred charges
- Reserve for outstanding tokens - Municipal Railway
- Other reserves - Water Department
- Reserve for refunds - Water Department
- Reserve for workmen's compensation claims, sick leave, vacation, etc.
- Reserve for accident claims - Municipal Railway
- Accruals due U. S. Government - Municipal Railway
- Accruals' deposits and advances
- Accruals due State of California - Municipal Railway
- Unidentified receipts: suspense appropriations
- Unidentified receipts: Public Service Enterprises
- Reservable from State of California reserves
- Unencumbered - Public Works Department
- Not encumbered - Public Utilities Commission
- Audit adjustment - Airport

Total

Add:

Interfund accounts
Bond Fund transfers
Bonds unsold
Additional doubtful account reserve - Water Department
Airport fire loss proceeds reserved
Accounts receivable reserves
Interfund work order, budget transfer, etc. adjustments

Total

Funds Balance Sheet - Exhibit H

[illegible]

San Francisco Water Department
AND
HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF ACCOUNTS
YEAR ENDED JUNE 30, 1957

JOHN F. FORBES & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CROCKER BUILDING
SAN FRANCISCO 4

October 10, 1957.

The Honorable Harry J. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

Dear Sir:

Pursuant to your instructions, and under the terms of an agreement with you dated May 10, 1957, we have examined the combining balance sheet of the San Francisco Water Department and Hetch Hetchy Project as of June 30, 1957, and the related combining statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying combining balance sheet and combining statements of income and surplus present fairly the financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1957, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, audit program, and working papers in connection with this examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

We present herewith the following exhibits, schedule, and notes:

Exhibit

A - Combining Balance Sheet, June 30, 1957.

Schedule

1 - Combining Summary of Property, Plant, and Equipment, and Related Accumulated Depreciation, June 30, 1957.

B - Combining Statement of Income for the Year Ended June 30, 1957.

C - Combining Statement of Surplus for the Year Ended June 30, 1957.

Notes to Financial Statements.

Yours truly,

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING BALANCE SHEET, JUNE 30, 1957

-- A S S E T S --	COMBINED	EXHIBITATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
PROPERTY, PLANT, AND EQUIPMENT (Schedule 1 - Note 1):				
In service:				
Tangible property,.....	\$230,125,418.35		\$ 98,514,471.35	\$131,610,947.00
Intangible property,.....	5,958,543.00		3,222,513.00	27,735,630.00
Not in service - Tangible property,.....	913,187.27		854,456.43	58,690.84
Total,.....	\$236,997,148.62		\$102,591,880.78	\$134,405,267.84
Less accumulated depreciation,.....	72,072,051.35		34,603,327.92	37,468,653.43
Remainder,.....	\$164,925,097.27		\$ 67,988,482.86	\$ 96,936,614.41
Under construction,.....	3,599,751.19		2,859,737.87	740,013.32
Total property, plant, and equipment,.....	\$168,524,848.46		\$ 70,848,220.73	\$ 97,676,627.73
CASH:				
On deposit with Treasurer,.....	\$ 20,324,458.93		\$ 6,659,791.51	\$ 13,664,667.42
Revolving funds,.....	34,000.00		30,000.00	4,000.00
Total cash,.....	\$ 20,358,458.93		\$ 6,689,791.51	\$ 13,668,667.42
ACCOUNTS RECEIVABLE:				
Consumers' accounts,.....	\$ 1,376,800.90		\$ 1,078,727.23	\$ 298,073.67
Other accounts,.....	76,638.41		76,638.41	
Total,.....	\$ 1,453,439.31		\$ 1,155,365.64	\$ 298,073.67
Less allowance for doubtful accounts,.....	30,698.66		30,698.66	
Remainder - Accounts receivable,...	\$ 1,422,740.65		\$ 1,124,666.98	\$ 298,073.67
DUE FROM CITY AND COUNTY OF SAN FRANCISCO:				
General departments and funds,.....	\$ 3,144.87		\$ 3,144.87	
Other public service departments,.....	274,624.21	\$49,738.00	1,603.06	322,759.15
Total due from City and County of San Francisco,.....	\$ 277,769.08	\$49,738.00	\$ 1,603.06	\$ 322,759.15
DEFERRED CHARGES AND OTHER ASSETS:				
Materials and supplies,.....	\$ 584,318.59		\$ 530,712.31	\$ 53,606.28
Commitments for goods and services not received (contra),.....	4,611,731.19		1,248,666.17	3,363,065.02
Deposits and other accounts,.....	142,327.93		117,761.93	24,566.00
Total deferred charges and other assets,.....	\$ 5,338,377.71		\$ 1,897,140.41	\$ 3,441,237.30
TOTAL,.....	\$195,922,194.83	\$49,738.00	\$ 80,561,422.69	\$115,410,510.14

EXHIBIT A

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING BALANCE SHEET, JUNE 30, 1957

-- LIABILITIES --

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
BONDED DEBT (Note 3):				
Matured bonds not presented for payment,.....	\$ 24,000.00		\$ 14,000.00	\$ 10,000.00
Maturing within one year,.....	5,222,000.00		1,924,505.00	3,297,495.00
Maturing subsequent to June 30, 1958,.....	62,376,000.00		20,049,932.00	42,326,068.00
Total bonded debt,.....	\$ 67,622,000.00		\$ 21,988,437.00	\$ 45,633,563.00
BOND INTEREST PAYABLE:				
Matured coupons not presented for payment,.....	\$ 44,372.50		\$ 8,482.50	\$ 35,890.00
Due July 1, 1957,.....	853,500.00		315,000.00	538,500.00
Accrued, due subsequent to July 1, 1957,.....	170,729.75		170,729.75	
Total bond interest payable,.....	\$ 1,068,602.25		\$ 323,482.50	\$ 745,119.75
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants outstanding and payroll reductions payable,.....	\$ 363,173.25		\$ 269,394.16	\$ 93,779.09
Accounts payable,.....	339,276.89		80,283.34	258,993.55
Retained percentages due contractors,.....	259,422.57		246,805.91	12,616.66
Commitments for goods and services not received (contra),.....	4,611,731.19		1,248,666.17	3,363,065.02
Total accounts payable and commitments,.....	\$ 5,573,603.90		\$ 1,845,149.58	\$ 3,728,454.32
DEPOSITS AND CONSTRUCTION ADVANCES,.....	\$ 248,095.75		\$ 184,799.65	\$ 63,296.10
Due TO CITY AND COUNTY OF SAN FRANCISCO:				
General departments and funds,.....	\$ 172,504.27		\$ 125,615.31	\$ 46,888.96
Other public service departments,.....	23,651.83	\$49,738.00	73,603.92	1,786.31
Total due to City and County of San Francisco,.....	\$ 196,156.10	\$49,738.00	\$ 199,218.83	\$ 48,675.27
RESERVES AND DEFERRED CREDITS:				
Workmen's compensation claims, employees' vacation pay, sick leave pay, etc.,.....	\$ 344,549.38		\$ 335,694.54	\$ 8,854.84
Consumers' accounts subject to adjustment (Note 2),.....	367,570.06		367,570.06	
Other,.....	7,281.09		7,281.09	
Total reserves and deferred credits	\$ 719,400.53		\$ 710,545.69	\$ 8,854.84
REVENUES (Exhibit C),.....	\$120,422,336.30		\$ 55,309,789.44	\$ 65,112,546.86
TOTAL,.....	\$125,322,144.83	\$49,738.00	\$ 80,563,937.64	\$31,510,510.14

NOTE: The accompanying notes to financial statements are an integral part of this balance sheet.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT,
AND RELATED ACCUMULATED DEPRECIATION, JUNE 30, 1957

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
<u>IN SERVICE:</u>		
Tangible property:		
Water Department:		
Land and rights of way,.....	\$ 14,236,830.89	
Buildings, structures, and grounds,..	1,697,743.45	\$ 858,807.41
Source of water supply,.....	29,395,082.59	9,133,357.87
Pumping station equipment,.....	1,401,846.68	416,352.54
Purification system,.....	324,783.91	122,022.27
Transmission and distribution system,	49,721,710.32	22,702,751.55
General equipment,.....	388,208.54	213,051.22
Automotive equipment,.....	437,080.28	267,804.44
Undistributed interest during construction,.....	911,184.69	343,217.54
Total Water Department,.....	\$ 98,514,471.35	\$34,057,364.84
Hetch Hetchy Project:		
Water plant:		
Land and rights of way,.....	\$ 1,013,897.90	
Buildings, structures, and grounds,	148,140.21	\$ 56,669.20
Source of water supply,.....	69,679,560.17	20,651,392.26
Purification system,.....	37,313.93	29,579.53
Total water plant,.....	\$ 70,878,912.21	\$20,737,640.99
Electric plant:		
Land and rights of way,.....	\$ 1,896,404.57	\$ 34,138.28
Buildings, structures, and grounds,	1,444,902.87	649,769.37
Hydraulic product plant,.....	8,601,553.07	4,813,428.89
Transmission system,.....	2,698,623.46	2,184,676.54
General equipment,.....	224,550.69	66,058.40
Total electric plant,.....	\$ 14,866,034.66	\$ 7,748,071.48
Joint plant:		
Land and rights of way,.....	\$ 331,696.15	\$ 4,449.28
Buildings, structures, and grounds,	1,212,220.37	609,059.22
Source of water supply,.....	43,806,038.49	8,045,856.72
General equipment,.....	516,045.12	289,255.41
Total joint plant,.....	\$ 45,866,000.13	\$ 8,948,620.63
Total Hetch Hetchy Project,....	\$131,610,947.00	\$37,434,333.10
Total tangible property in service (Forward),.....	\$230,125,418.35	\$71,491,697.94

CITY AND COUNTY OF SAN FRANCISCO
 WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
IN SERVICE (Continued):		
Total tangible property in service (Forward),.....	\$230,125,418.35	71,421,697.88
Intangible property:		
Water rights and other intangible property:		
Water Department,.....	\$ 3,222,903.00	
Hetch Hetchy Project,.....	2,735,630.20	
Total intangible property in service,.....	\$ 5,958,543.20	
NOT IN SERVICE:		
Tangible property:		
Water Department,.....	\$ 854,406.43	\$ 546,333.08
Hetch Hetchy Project,.....	58,690.34	34,337.33
Total tangible property not in service,.....	\$ 913,187.27	\$ 580,670.41
UNDER CONSTRUCTION:		
Water Department:		
Hillsborough tunnel,.....	\$ 1,350,933.13	
Crystal Springs and Sunset supply line,	204,565.52	
Balboa reservoir,.....	362,095.50	
Sunset reservoir,.....	767,523.11	
Water mains,.....	106,030.21	
Other,.....	63,580.30	
Total Water Department,.....	\$ 2,859,737.87	
Hetch Hetchy Project:		
Cherry Valley dam,.....	\$ 117,465.82	
Cherry and Canyon power projects,.....	552,370.03	
Other,.....	70,177.47	
Total Hetch Hetchy Project,.....	\$ 740,013.32	
Total property under construction,.....	\$ 3,599,751.19	
TOTAL PROPERTY, PLANT, AND EQUIPMENT,.....	\$240,536,899.61	72,372,351.35

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

ADDITIONS TO COMBINED PROPERTIES,
YEAR ENDED JUNE 30, 1957:

Water Department:

Land and rights of way,.....	\$ 87,316.96
Buildings, structures, and grounds,.....	64,154.41
Bay Division pipeline,.....	136,419.49
Guadalupe by-pass,.....	498,042.71
Sunol water system supply line,..	41,429.93
Water mains, meters, and services, etc.,.....	911,982.31
Automotive equipment,.....	49,844.06
Other,.....	<u>86,423.83</u>

Total Water Department,..... \$1,875,613.70

Hetch Hetchy Project:

Cherry Valley dam and reservoir,.	\$1,036,067.50
Shops, sheds, and garage buildings at Hoccasin,.....	159,387.16
Other,.....	<u>71,643.31</u>

Total Hetch Hetchy Project,..... 1,267,097.97

TOTAL ADDITIONS TO COMBINED PROPERTIES,..... \$3,142,711.67

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF INCOME
FOR THE YEAR ENDED JUNE 30, 1957

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
OPERATING REVENUES (Note 2):				
Water sales,.....	\$13,262,960.94	\$4,030,000.00	\$13,262,960.94	\$4,030,000.00
Electrical energy sales,.....	4,804,325.04			4,804,325.04
Total operating revenues,.....	\$18,067,285.98	\$4,030,000.00	\$13,262,960.94	\$8,834,325.04
OPERATING EXPENSES:				
Standby charge and purchases of water,....		\$4,030,000.00	\$4,030,000.00	
Purchases of electrical energy,.....	\$ 1,034,010.60			\$1,034,010.60
Production expenses,.....	555,226.41			555,226.41
Source of water supply,.....	445,631.01		445,631.01	
Pumping,.....	335,983.70		335,983.70	
Purification,.....	208,825.07		208,825.07	
Transmission and distribution,.....	2,538,419.93		1,113,543.81	1,424,876.12
Commercial,.....	643,768.99		630,632.99	13,136.00
Administrative and general,.....	2,143,530.92		1,525,623.54	617,907.38
Provision for doubtful accounts,.....	69,206.12		69,206.12	
Provision for depreciation,.....	3,044,882.40		1,130,856.00	1,914,026.40
Total operating expenses,.....	\$11,019,505.15	\$4,030,000.00	\$9,490,302.24	\$5,559,872.91
OPERATING INCOME,.....	\$ 7,047,780.83		\$ 3,772,658.70	\$3,274,452.13
OTHER INCOME:				
Gain from sales of property,.....	\$ 77,793.55		\$ 24,870.62	\$ 52,922.93
Rentals received, including crop sales,...	360,462.20		332,286.31	28,175.89
Interest earned,.....	23,154.60		23,154.60	
Miscellaneous,.....	56,644.76		25,216.52	31,428.24
Total other income,.....	\$ 518,055.11		\$ 405,528.05	\$ 113,527.06
Total,.....	\$ 7,565,835.94		\$ 4,178,186.75	\$3,388,449.19
OTHER DEDUCTIONS:				
Interest on bonded debt,.....	\$ 2,162,364.29		\$ 782,031.11	\$1,380,333.18
Agricultural division and crop expense,...	89,465.48		89,465.48	
Miscellaneous,.....	7,738.62		7,738.62	
Total other deductions,.....	\$ 2,259,568.39		\$ 879,235.21	\$1,380,333.18
EXCESS OF REVENUES OVER EXPENSES (Exhibit C)	\$ 5,306,267.55		\$ 3,301,951.54	\$2,008,116.01

NOTE: The accompanying notes to financial statements are an integral part of this statement of income.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF SURPLUS
 FOR THE YEAR ENDED JUNE 30, 1957

	COMBINED	WATER DEPARTMENT	HETCH HETCHY PROJECT
BALANCE, JULY 1, 1956,.....	\$115,129,549.47	\$60,421,968.91	\$54,707,580.56
ADDITIONS:			
Excess of revenues over expenses (Exhibit B),	5,306,267.55	3,301,951.54	2,004,316.01
Advances from Federal government for			
Cherry Valley Reservoir,.....	63,619.28		63,619.28
Rental of camp buildings acquired by the			
1949 Cherry Valley Bond Fund,.....	<u>2,233.33</u>		<u>2,233.33</u>
Total,.....	\$120,501,669.63	\$63,723,920.45	\$56,777,749.18
DEDUCTIONS:			
Accumulated rental of Cherry Valley camp			
buildings applied in reduction of cost,....	<u>9,333.33</u>		<u>9,333.33</u>
Remainder,.....	<u>\$120,492,336.30</u>	<u>\$63,723,920.45</u>	<u>\$56,768,415.85</u>
INTERFUND TRANSFERS:			
Fixed capital in service transferred to the			
Water Department from the 1947 Hetch Hetchy			
Water Bond Fund,.....		\$ 487,690.80	(\$ 487,690.80)
1947 Hetch Hetchy Water Bond transactions			
applicable to properties in service with			
the Water Department:			
Bond redemption and interest contributed			
by the Water Department during the year,.		(927,384.81)	927,384.81
Bonded indebtedness outstanding at			
April 1, 1957, transferred to the			
Water Department,.....		(7,974,437.00)	7,974,437.00
Total interfund transfers,.....		<u>(\$ 8,414,131.01)</u>	<u>\$ 8,414,131.01</u>
BALANCE, JUNE 30, 1957,.....	<u>\$120,492,336.30</u>	<u>\$55,309,789.44</u>	<u>\$65,182,546.86</u>

EXHIBIT C

WATER DEPARTMENT AND HETCH HETCHY PROJECT

NOTES TO FINANCIAL STATEMENTS

NOTE:

1. Section 128 of the Charter of the City and County of San Francisco provides that the Public Utilities Commission shall make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recent appraisal as of June 30, 1953, have been given effect to in the accounts as of June 30, 1957. Additions to properties subsequent to June 30, 1953, have been recorded at cost. Depreciation for the year ended June 30, 1957, is based upon rates as set forth in the 1953 appraisal.

The Water Department's major construction projects in progress at June 30, 1957, have total estimated costs of \$6,394,000.00. Costs to complete these projects are estimated at \$3,683,408.24 at that date.

On November 8, 1955, the electors of the City and County of San Francisco approved a bond issue in the amount of \$54,000,000.00 for the acquisition, construction, and completion of Cherry and Canyon power projects in Tuolumne County, California. Bonds in the amount of \$10,000,000.00 were issued on April 1, 1957, and \$552,370.03 had been expended on engineering and preliminary construction work in connection with these projects as of June 30, 1957. It is anticipated that additional bonds will be issued and major construction contracts will be awarded during the year ending June 30, 1958. The Hetch Hetchy Project had no other major construction projects in progress as of June 30, 1957.

During the year ended June 30, 1957, as a result of a rate survey, the property, plant, and equipment of Hetch Hetchy Project, formerly classified as being applicable to either water supply or power supply, were reclassified as being water, power, or joint plant as indicated in the accompanying Schedule 1 of Exhibit A.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS

2. Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other consumers are billed bimonthly.

The combining statement of income, Exhibit B, does not include recorded revenues from water delivered to certain municipal departments without charge, which, if billed at regular rates, would have amounted to \$731,453.73, nor does the statement include a charge of an equal amount for municipal tax expense which is also included in the accounts of the Water Department. The amount of \$731,453.73 was computed and recorded in contra accounts in token of compliance with Section 64 of the Charter of the City and County of San Francisco which provides that the accounts of each utility shall be maintained in such manner as to show estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated.

Certain consumers entered into contracts with the Spring Valley Water Company which contracts entitled these consumers to water at reduced rates or free of charge. These contracts were assumed by the Water Department upon acquisition of that company's facilities by the City and County of San Francisco. Based upon a legal opinion by the City Attorney that these contracts were illegal and unenforceable, the Water Department billed these consumers additional amounts representing the difference between the contract rates and scheduled rates as applied to water delivered under these contracts during the period from November 17, 1950, to June 30, 1957. Certain of these consumers filed claims against the City and County of San Francisco contesting the legality of the cancellation of these contracts, and for damages resulting therefrom. Reserves aggregating \$367,570.06 have been established by the Water Department to fully provide for possible adjustments of these additional charges. No provision has been made in the attached balance sheet for damages, if any, resulting from cancellation of these contracts.

CITY AND COUNTY OF SAN FRANCISCO
 WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS

3. The combined bonded debt of the City and County of San Francisco applicable to the Water Department and Hetch Hetchy Project aggregated \$67,622,000.00 at June 30, 1957. This indebtedness was incurred upon the general faith and credit of the City and County of San Francisco and is summarized as follows:

	<u>Matured</u>	<u>Unmatured</u>	<u>Total</u>
Water Department:			
Spring Valley, July 1, 1928 - 4-1/2%,.....	\$14,000.00	\$14,000,000.00	\$14,014,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2% and 2-1/2%,		448,800.00	448,800.00
Series D, November 1, 1949 - 1-1/4% and 1-1/2%,.....		5,560,000.00	5,560,000.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%,.....		833,814.00	833,814.00
Series F, August 1, 1953 - 2-1/4% and 2-1/2%,.....		1,131,823.00	1,131,823.00
Total Water Department,.....	\$14,000.00	\$21,974,437.00	\$21,988,437.00
Hetch Hetchy Project:			
Water, July 1, 1910 - 4-1/2%,.....	\$ 1,000.00	\$ 8,000,000.00	\$ 8,001,000.00
Hetch Hetchy Water, January 1, 1925 - 5%,..		3,000,000.00	3,000,000.00
Hetch Hetchy, July 1, 1928 - 4-1/2%,.....	1,000.00	12,600,000.00	12,601,000.00
Hetch Hetchy, June 1, 1932 - 2-3/4% to 5-3/4%	8,000.00	2,700,000.00	2,708,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2% and 2-1/2%,		3,676,200.00	3,676,200.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%,.....		2,379,186.00	2,379,186.00
Series F, August 1, 1953 - 2-1/4% and 2-1/2%,.....		223,177.00	223,177.00
Forward,.....	\$10,000.00	\$32,578,563.00	\$32,588,563.00

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS

	<u>Matured</u>	<u>Unmatured</u>	<u>Total</u>
Total Water Department			
(Forward),.....	\$14,000.00	\$21,974,437.00	\$21,988,437.00
Hetch Hetchy Project			
(Continued),.....	\$10,000.00	\$32,578,563.00	\$32,588,563.00
1949 Cherry Valley Dam:			
Series A, March 1,			
1952 - 1-1/4% and			
1-1/2%,.....		640,000.00	640,000.00
Series B, December 1,			
1952 - 1-1/2% and			
1-3/4%,.....		2,405,000.00	2,405,000.00
1955 Hetch Hetchy Power -			
April 1, 1957 - 2-1/2%			
to 6%,.....		10,000,000.00	10,000,000.00
Total Hetch Hetchy			
Project,.....	\$10,000.00	\$45,623,563.00	\$45,633,563.00
Total,.....	\$24,000.00	\$67,598,000.00	\$67,622,000.00

In general, the bonds mature serially in varying annual amounts through the fiscal year ended June 30, 1978. A summary of maturities for the succeeding five years follows:

<u>Year Ending</u>	<u>Amount</u>
<u>June 30</u>	
1958,.....	\$5,222,000.00
1959,.....	5,222,000.00
1960,.....	5,222,000.00
1961,.....	5,222,000.00
1962,.....	5,062,000.00

4. The Water Department carries insurance coverage with insurance carriers against losses from boiler explosion, burglary, plate glass breakage, automobile public liability and property damage claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Water Department acts as self-insurer against other losses including other property casualty losses, other public liability and property damage claims, and workmen's compensation claims.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS

The Hetch Hetchy Project carries insurance coverage with insurance carriers against losses from public liability and property damage claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Hetch Hetchy Project acts as self-insurer against other losses, including other property casualty losses and workmen's compensation claims.

5. Under provision of Section 122 of the Charter of the City and County of San Francisco, the Hetch Hetchy Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1957.
 6. The Water Department was contingently liable as of June 30, 1957, under various property damage, personal injury, and water rate suits. The Hetch Hetchy Project was contingently liable as of that date under various suits for alleged damages to wells and springs, and personal injury. The aggregate amount of actual liability on these suits is indeterminable as of the date of this report.
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Municipal Railway of San Francisco

REPORT ON EXAMINATION

FOR THE YEAR ENDED

JUNE 30, 1957

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

120 MONTGOMERY STREET
SAN FRANCISCO 4

September 19, 1957.

Honorable H. D. Ross,
Controller, City and County
of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the financial statements of the
Municipal Railway of San Francisco for the year ended June 30,
1957, listed below:

Balance Sheet, June 30, 1957 (Exhibit A).

Summary of Fixed Capital - Road and
Equipment for the Year Ended June 30,
1957 (Schedule 1).

Summary of Accumulated Depreciation of
Fixed Capital - Road and Equipment
for the Year Ended June 30, 1957
(Schedule 2).

Unmatured Bonded Debt, June 30, 1957
(Schedule 3).

Statement of Income for the Years Ended
June 30, 1957 and 1956, and Comparison
(Exhibit B).

Statement of Surplus for the Year Ended
June 30, 1957 (Exhibit C).

Notes to Financial Statements.

Our examination was made in accordance with generally accepted
auditing standards, and accordingly included such tests of the
accounting records and such other auditing procedures as we con-
sidered necessary in the circumstances.

In our opinion, the accompanying balance sheet and

related statements of income and surplus present fairly the financial position of the Municipal Railway of San Francisco at June 30, 1957 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

We present the following comments:

OPERATIONS

Operations for the year ended June 30, 1957 resulted in a loss of \$1,929,892.49 as compared with a loss of \$1,655,194.96 for the preceding year. These results, which are set forth in detail in Exhibit B, are summarized and compared as follows:

	... Year Ended June 30...		Increase (Decrease)
	1957	1956	
Operating income:			
Passenger revenue.....	\$20,033,834	\$20,252,610	\$(218,776)
Advertising, rents, etc...	208,428	203,411	5,017
Total operating income.	\$20,242,262	\$20,456,021	\$(213,759)
Operating expenses.....	21,973,174	21,958,369	14,805
Loss from operations.....	\$ 1,730,912	\$ 1,502,348	\$ 228,564
Other expense.....	294,280	239,892	54,388
Total.....	\$ 2,025,192	\$ 1,742,240	\$ 282,952
Other income.....	95,300	87,045	8,255
Net loss.....	<u>\$ 1,929,892</u>	<u>\$ 1,655,195</u>	<u>\$ 274,697</u>

The information for 1956 was taken from a report prepared by other accountants.

Statistical records of the Railway show the mileage traveled during the past two years by the various types of equipment operated as follows:

Type of Equipment	.....Year Ended June 30.....		.....1956.....		Increase (Decrease) Mileage
	1957	Per Cent of Total	1956	Per Cent of Total	
	<u>Mileage</u>		<u>Mileage</u>		
Electric street-cars:					
Two-man.....	1,844,002	6.79	2,256,787	8.18	(412,785)
One-man.....	1,774,549	6.53	1,785,633	6.48	(11,084)
Total.....	3,618,551	13.32	4,042,420	14.66	(423,869)
Motor coaches...	13,999,127	51.54	13,649,522	49.51	349,605
Trolley coaches	9,175,785	33.78	9,402,570	34.11	(226,785)
Cable cars.....	367,899	1.36	473,868	1.72	(105,969)
Total....	<u>27,161,362</u>	<u>100.00</u>	<u>27,568,380</u>	<u>100.00</u>	<u>(407,018)</u>

Operating income and expenses are expressed in cents per mile of operation as follows:

	.....Cents Per Mile.....		Increase (Decrease)
	Year Ended June 30 1957	1956	
Operating income:			
Passenger revenue.....	73.759	73.463	.296
Advertising, rents, etc.....	.767	.738	.029
Total operating income	<u>74.526</u>	<u>74.201</u>	<u>.325</u>
Operating expenses:			
Maintenance and repairs:			
Way and structures.....	2.793	2.655	.138
Equipment.....	8.198	8.130	.068
Total.....	<u>10.991</u>	<u>10.785</u>	<u>.206</u>
Power.....	6.906	7.258	(.352)
Conducting transportation.....	41.075	40.336	.739
General and miscellaneous.....	8.834	8.782	.052
Payroll taxes.....	.900	.838	.062
Total.....	<u>68.706</u>	<u>67.999</u>	<u>.707</u>
Provision for accident claims.....	5.532	5.510	.022
Depreciation.....	3.836	5.076	(1.240)
Rent of leased coaches.....	2.825	1.065	1.760
Total operating expenses.....	<u>80.899</u>	<u>79.650</u>	<u>1.249</u>
Loss from operations.....	<u>6.373</u>	<u>5.449</u>	<u>.924</u>

Operating income - passenger revenue in 1957 was \$218,776 less than 1956. The decrease was caused by a .67% decrease in number of revenue passengers carried and a minor decrease in the average fare for the year. The effect of these factors on total passenger revenue is shown in the following:

Decrease in revenue due to decrease in number of revenue passengers carried (967,980, times the average fare of the preceding year, or \$.141441).....	\$136,912
Decrease in revenue due to decrease in average fare (number of revenue passengers carried during the year, 142,219,916, times the decrease in the average fare of \$.000576).....	<u>81,864</u>
Total.....	<u>\$218,776</u>

The increase and decrease in operating expenses for 1957 as compared with 1956 for each of the major account classifications, segregated between payroll and other costs, are tabulated as follows:

	Increase (Decrease)		
	.....In Operating Expenses.....		
	Total	Payroll	Other
Maintenance and repairs:			
Way and structures.....	\$ 26,652	\$ 15,632	\$ 11,020
Equipment.....	(14,591)	57,836	(72,427)
Total.....	\$ 12,061	\$ 73,468	\$ (61,407)
Power.....	(125,202)	12,078	(137,280)
Conducting transportation.....	36,564	38,620	(2,056)
General and miscellaneous.....	(21,830)	33,287	(55,117)
Payroll taxes.....	13,425		13,425
Total.....	\$ (84,982)	\$157,453	\$ (242,435)
Provision for accident claims...	(16,408)		(16,408)
Depreciation.....	(357,453)		(357,453)
Rent of leased coaches.....	473,648		473,648
Increase (decrease) in operating expenses.	<u>\$ 14,805</u>	<u>\$157,453</u>	<u>\$ (142,648)</u>

Payroll costs in 1957 were more than 1956 owing to increases in rates of pay effective July 1, 1956. The comparative rates applicable to the principal payroll classifications follow:

<u>Classification</u>	<u>Number Employed*</u>	<u>Period</u>	<u>Rates Effective ..During Fiscal Year..</u>	
			<u>1956-57</u>	<u>1955-56</u>
Platform men.....	1950	Hour	\$ 2.10**	\$ 2.04
Trackmen.....	46	Day	18.60	17.40
Shop mechanics.....	35	Day	18.87	17.35
Senior shop mechanics..	95	Day	22.20	21.00
Automotive mechanics..	65	Week	107.50	103.50
Automotive machinists..	40	Week	112.50	108.50
Car cleaners and janitors.....	98	Month	\$285-\$330	\$265-\$310
Inspectors.....	105	Month	385- 445	370- 420
General clerks.....	96	Month	285- 340	270- 325

* In accordance with wage and salary ordinance for 1956-57.

** If employed prior to January 11, 1955.

Non-payroll costs for maintenance and repairs of equipment decreased \$72,427 in 1957 as compared with 1956 mainly as a result of the substitution of additional new leased diesel coaches for older motor coaches and two-man streetcars which were retired. Also contributing to this decrease was the decline in total miles traveled by the various types of equipment.

The decrease in power expenses, other than payroll costs, consisted of the following:

Decrease in cost of electricity used in streetcar, trolley coach, and cable car operations.....	\$ 39,369
Decrease in cost of gasoline and diesel fuels used in motor coach operations.....	109,529
Total.....	\$148,898
Less increase in miscellaneous other non- payroll power expenses.....	11,618
Decrease in power expenses.....	<u>\$137,280</u>

Statistical records of the Railway indicated that the electrical power cost decrease was primarily due to the types of equipment involved having been in service 98,821 fewer hours than in the preceding year; the rates per kilowatt hour remaining substantially constant.

The decrease in motor coach fuel costs resulted from the additional new leased diesel coaches put into service during the year in place of other motor coaches. The Railway's statistical records included the following data:

	.....Year Ended June 30.....		.....1957.....		.....1956.....	
	Diesel	Other	Diesel	Other	Diesel	Other
	<u>Coaches</u>	<u>Coaches</u>	<u>Coaches</u>	<u>Coaches</u>	<u>Coaches</u>	<u>Coaches</u>
Total miles traveled	6,703,705	7,295,422	2,558,076	11,091,446		
Cost per mile.....	\$.04376	\$.08465	\$.04458	\$.08172		

The net decrease in fuel costs may be analyzed as follows:

Decrease due to operating other coaches fewer miles during the year (3,796,024 times the cost per mile of the preceding year, \$.08172).....	\$310,211
Increase due to operating diesel coaches more miles than in the preceding year (4,145,629 times the cost per mile of the preceding year, or \$.04458).....	(184,812)
Increase due to the higher cost per mile in operating other coaches (number of miles traveled during the year, 7,295,422, times the increase in the cost per mile of \$.00293).....	(21,367)
Decrease due to the lower cost per mile in operating diesel coaches (number of miles traveled during the year, 6,703,705, times the decrease in the cost per mile of \$.00082).....	<u>5,497</u>
Net decrease in motor coach fuel costs..	<u>\$109,529</u>

The principal cause for the decrease of \$55,117 in general and miscellaneous expense other than payroll costs, was a rate reduction in the pension contribution to the Retirement System of approximately 1/2 of 1% of gross payrolls. This reduction amounted to approximately \$72,000 and was partially offset by increases in other miscellaneous expenses.

The decrease in depreciation expense of \$357,453 was due to assets becoming fully depreciated during the prior year and these assets either were continued in use or replaced by leased equipment.

Rent of leased coaches increased \$473,648. The increase was caused by the additional miles these coaches were operated during the year, inasmuch as rentals are paid in advance and are charged to operations on a per-mile basis.

FINANCIAL POSITION

The financial position of the Railway at June 30, 1957, presented in detail in Exhibit A, is summarized and compared with the financial position at June 30, 1956 in the following statement:

	.....June 30..... 1957	1956	Increase (Decrease)
Assets:			
Fixed capital (net book value).....	\$ 15,764,149.24	\$16,363,553.66	\$ (599,404.42)
Cash.....	4,690,104.49	3,847,228.46	842,876.03
Accounts receivable...	73,452.37	89,196.14	(15,743.77)
Deferred charges:			
Materials and supplies.....	672,163.98	651,765.88	20,398.10
Prepaid rentals of leased coaches....	1,142,859.89	789,001.01	353,858.88
Commitments.....	1,327,583.44	217,396.08	1,110,187.36
Other.....	12,792.20	24,814.54	(12,022.34)
Total.....	<u>\$ 23,683,105.61</u>	<u>\$21,982,955.77</u>	<u>\$ 1,700,149.84</u>
Liabilities:			
Bonded debt.....	\$ 10,670,200.00	\$12,269,200.00	\$(1,599,000.00)
Bond interest payable.	79,471.65	87,968.31	(8,496.66)
Accounts payable, commitments, etc....	3,274,710.61	1,633,195.62	1,641,514.99
Estimated liabilities.	2,835,350.03	2,738,586.37	96,763.66
Deferred credits.....	12,177.64	8,246.31	3,931.33
Contributed surplus...	17,867,272.31	14,371,943.30	3,495,329.01
Deficit from operations.....	<u>(11,056,076.63)</u>	<u>(9,126,184.14)</u>	<u>(1,929,892.49)</u>
Total.....	<u>\$ 23,683,105.61</u>	<u>\$21,982,955.77</u>	<u>\$ 1,700,149.84</u>

The information for 1956 was taken from a report prepared by other accountants.

The increase in cash at June 30, 1957 as compared with June 30, 1956 was accounted for as follows:

Funds provided:

Contributions from General Fund of the City and County of San Francisco - from general taxes for operating expenses.....	\$3,495,329.01
Proceeds from the sale of fixed capital assets.....	25,129.52
Increase in accounts payable.....	1,641,514.99
Increase in estimated liabilities - net.....	96,763.66
Increase in deferred credits.....	3,931.33
Decrease in construction in progress.....	21,805.08
Decrease in accounts receivable.....	15,743.77
Total funds provided.....	<u>\$5,300,217.36</u>

Funds applied:

Loss for year.....	\$1,929,892.49
Less non-cash charges to operations:	
Depreciation.....	\$1,041,798.34
Loss on sale of fixed capital assets.....	20,568.37
Obsolescence of materials and supplies.....	<u>11,066.68</u>
Net funds applied to loss for year..	<u>1,073,433.39</u>
Additions to fixed capital assets.....	\$ 856,459.10
Redemption of bonded debt.....	509,896.89
Decrease in bond interest payable.....	1,599,000.00
Increase in deferred charges (other than materials and supplies) - net.....	8,496.66
Increase in materials and supplies, including valuation adjustment of \$11,066.68 charged to operations - see above.....	<u>1,452,023.90</u>
Total funds applied.....	<u>\$4,457,341.33</u>

Increase in cash at June 30, 1957..... \$ 842,876.03

FIXED CAPITAL (Less accumulated depreciation, \$22,947,094.54) - \$15,764,149.24

The recorded value of the Railway's investment in fixed capital assets, other than construction work in progress, at June 30, 1957, and the related accumulated depreciation are set forth in Schedules 1 and 2.

The fixed capital assets are recorded in the accounts principally at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

With the exception of the Market Street Extension which was recorded at appraised valuations as of September 29, 1944, additions to property, subsequent to June 30, 1938, were recorded substantially at cost. Acquisitions of property prior to June 30, 1938 were recorded at appraised valuations as of that date. California Street Cable Railway Company properties were purchased for \$150,000 from general funds of the City and County of San Francisco and contributed to the Railway.

In accordance with the provisions of Section 128 of the Charter, an appraisal of the properties of the Railway was made as of June 30, 1953 to determine the probable useful life, the values, and the reasonable annual depreciation based upon a revision of the previous appraisal made as of June 30, 1948. During the fiscal years ended June 30, 1954 and 1955, the net adjustments to the recorded values and accumulated depreciation resulting from this appraisal were recorded.

In connection with the appraisal, the engineering report prepared by the Public Utilities Commission Engineers indicated that the recorded values of non-operated track, roadway, and underground conduit at June 30, 1953 amounted to \$2,497,988.49, all fully depreciated. Retirements of \$2,019,798.94 of the above assets and related depreciation have been made during the four years ended June 30, 1957 leaving a balance of \$478,189.55.

In addition, fully depreciated track, roadway, underground conduit, distribution system, poles, and fixtures with a recorded cost of \$970,823.60 were taken out of service during the year as a result of the substitution of leased diesel coaches for two-man street cars formerly used on the Geary Street line.

The Railway follows the practice of first recording depreciation of an addition to fixed assets in the year following that in which the asset is put in service and charging income with a full year's depreciation in the year of retirement.

Additions to road and equipment accounts during the year ended
June 30, 1957 were as follows:

Way and Structures:

Installation of cable track curves at Hyde and Washington Streets and Hyde and Jackson Streets.....	\$180,543.13	
Reconstruction of feeder system on Chestnut Street.....	151,412.66	
Construction of turntable at Beach and Hyde Streets.....	119,394.40	
Relocation of overhead facilities for trolley coaches at Embarcadero turn-around loop....	25,202.01	
Relocation of overhead facilities for #5 Trolley Coach Line at new Exhibit Hall.....	8,602.08	
Relocation of overhead facilities for trolley coaches on Stockton Street from tunnel to Columbus Avenue.....	3,498.76	
Construction of waiting station at Euclid Avenue and Collins Street.....	2,218.67	
Miscellaneous.....	<u>3,150.87</u>	
Total.....		\$494,022.58

Equipment:

Office equipment.....	\$ 3,802.62	
Shop equipment.....	<u>2,936.12</u>	
Total.....		6,738.74

Power:

Floor modification at Bryant Street sub-station.....	\$ 7,421.87	
Sub-station equipment.....	<u>1,713.70</u>	
Total.....		<u>9,135.57</u>
Total.....		<u>\$509,896.89</u>

(See following page)

Recorded retirements to road and equipment accounts during the year ended June 30, 1957 are summarized in the following:

	<u>Road and Equipment</u>	<u>Accumulated Depreciation</u>
Way and Structures:		
Track, etc.:		
Columbus Avenue, Stockton Street to North Point, and North Point, Columbus Avenue to Van Ness Avenue...	\$ 147,943.89	\$ 143,883.54
Cable tracks on Washington Street, Hyde Street to Steiner Street, and on Steiner Street, Washington Street to Jackson Street.....	108,640.00	108,640.00
One track each on Fremont and First Streets between Market and Mission Streets.....	32,604.16	31,918.93
Ferry Loop trackage.....	22,770.00	22,770.00
Trolley poles:		
From Market Street Extension.....	112,656.45	107,023.63
Others.....	13,239.56	12,577.58
Subway along the Embarcadero.....	45,257.28	45,257.28
Overhead lines:		
Chestnut Street.....	17,709.88	15,053.40
Other.....	783.40	665.89
Lower Market Street distribution system..	7,230.00	6,517.63
Ferry Loop Pit.....	3,172.00	3,172.00
Land and building at Beach and Hyde Streets.....	2,037.00	1,537.00
Total.....	<u>\$ 514,043.62</u>	<u>\$ 499,016.88</u>
Equipment:		
Forty-nine motor coaches.....	\$ 606,458.57	\$ 598,213.45
Forty-one street cars.....	335,296.89	322,996.89
Six cable cars.....	65,158.35	65,158.35
Shop equipment.....	17,484.24	17,028.08
Furniture and office equipment.....	3,206.49	2,972.70
Total.....	<u>\$1,027,604.54</u>	<u>\$1,006,369.47</u>
Power - Power plant equipment at California Cable Division.....		
	<u>\$ 211,256.00</u>	<u>\$ 201,819.92</u>
Total.....	<u>\$1,752,904.16</u>	<u>\$1,707,206.27</u>

Under a lease agreement with the St. Louis Public Service Company, the Railway expects to take delivery of sixty-six used one-man street cars during the fiscal year ending June 30, 1958. It is anticipated that these street cars will replace the ninety-two presently owned and operated two-man cars which it is expected will be retired during the same period.

We understand that motor coaches owned by the Railway will be retired as new leased diesel coaches are delivered and put into service, the number to be retired being determined as fleet requirements dictate.

The Railway's rolling stock was composed of the following at June 30, 1957:

Street cars:	
Two-man.....	92
One-man.....	<u>40</u>
Total.....	132
Motor coaches:	
Owned.....	317
Leased.....	<u>225</u>
Total.....	542
Trolley coaches.....	389
Cable cars.....	<u>41</u>
Total.....	<u>1,104</u>

CASH - \$4,690,104.49

Cash at June 30, 1957 consisted of the following:

On deposit with the Treasurer of the City and County of San Francisco:	
Operating fund.....	\$4,605,361.86
1947 Municipal Railway Rehabilitation bond fund.....	68,047.63
Bond interest funds:	
1947 Municipal Railway Rehabilitation bond fund.....	1,217.50
Issue of December 1, 1913.....	232.50
Geary Street issue of 1910.....	22.50
Market Street issue of 1910.....	22.50
Bond redemption fund - Issue of December 1, 1913.....	<u>200.00</u>
Total on deposit with Treasurer.....	\$4,675,104.49
Revolving funds.....	<u>15,000.00</u>
Total.....	<u>\$4,690,104.49</u>

Funds on deposit with the Treasurer as shown by the Railway's records were reconciled to a copy of the Treasurer's report prepared by the audit staff of the Controller's Office.

Revolving fund bank accounts were verified by reconciliation with certifications obtained from depositaries. Cash funds were counted or were confirmed by correspondence with the custodians.

ACCOUNTS RECEIVABLE - \$62,635.63

The detail of accounts receivable at June 30, 1957 was as follows:

Fielder, Sorensen & Davis (advertising revenue) ..	\$19,736.71
United States Post Office Department (balance for quarter ended June 30, 1957 under contract to furnish transportation to mail carriers)	18,562.50
Lions International (transportation to members during June convention)	8,103.70
San Francisco Unified School District (charter services)	6,132.83
State of California (job reimbursement)	4,972.57
Pacific Gas and Electric Company (pole rental) ..	2,854.00
Other	<u>2,273.32</u>
Total	<u>\$62,635.63</u>

Requests for confirmation of the balances in their accounts as of June 30, 1957 were mailed by us to various debtors, and satisfactory replies were received for balances aggregating \$33,696.11. The remaining balances, except for those shown as "Other" were compared with evidence of collection during July and August 1957. It appears that no losses will be incurred in the collection of the accounts receivable at June 30, 1957.

MATERIALS AND SUPPLIES - \$672,163.98

The above represented the book valuation of inventories of materials and supplies aggregating \$672,162.98 and metal tokens carried in the accounts at the nominal amount of \$1.00.

The amount of materials and supplies inventories was determined by a tabulation of perpetual inventory records as of May 25, 1957, adjusted for subsequent receipts and issues to June 30, 1957. We were informed

that physical counts were made by employees at various times during the year and that perpetual inventory records were adjusted to such counts. The inventories are priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

Our tests of the quantities in the inventory included a review of the perpetual records, as adjusted to employees' counts, and test counts of quantities selected at random. Inventory pricing and computations were also tested by us.

Based upon discussions with Railway employees, an additional amount of \$11,066.68 has been provided for estimated inventory obsolescence.

PREPAID RENTAL OF LEASED
MOTOR COACHES - \$1,142,859.89

On May 16, 1955 the Railway entered into a contract with the Mack Motor Truck Corporation for the lease of a minimum of 440 diesel motor coaches, deliveries to be made, as scheduled in the agreement, over a period commencing December 1, 1955 and ending July 31, 1960. As of June 30, 1957, 225 coaches had been received and placed in service. The coaches have operated 9,261,781 miles, and the above amount which consisted of advanced rental, interest, freight, and use taxes, will be applied to future miles of operation.

ESTIMATED LIABILITY FOR ACCIDENT CLAIMS - \$2,649,416.78

Changes in this account during the year ended June 30, 1957 were as follows:

Balance, July 1, 1956.....		\$2,595,595.45
Provision for accidents.....		<u>1,502,537.59</u>
Total.....		\$4,098,133.03
Less:		
Claims paid and miscellaneous expenses, net		
of recoveries from insurance carriers....	\$980,155.92	
Services of City Attorney's office.....	129,726.95	
Claims department payroll.....	178,435.98	
Cost of excess liability insurance coverage	<u>160,397.40</u>	<u>1,448,716.25</u>
Balance, June 30, 1957.....		<u>\$2,649,416.78</u>

Provision for accident claims has for several years been made on the basis of 7-1/2% of gross passenger revenue. Our examination of the history of claims presented compared with claim payments indicated that the balance at June 30, 1957 appeared adequate to meet payments reasonably to be expected under claims unsettled at June 30, 1957.

It should be noted, however, that in view of the continuing decline in passenger revenue, with no accompanying decrease in accident claims presented, and the continuing increase in claim awards, future consideration should be given to an upward adjustment of the provision rate in order to preserve the adequacy of the account balance.

ESTIMATED LIABILITY FOR EMPLOYEES'
COMPENSATION CLAIMS - \$185,100.00

The amount of this account has been established on the basis of information with respect to the aggregate of compensation claims of employees estimated to be outstanding at June 30, 1957, as furnished by the City and County of San Francisco Employee Retirement System.

Yours truly,

Haskins & Sells

MUNICIPAL RAILWAY OF SAN FRANCISCO

BALANCE SHEET, JUNE 30, 1957

ASSETS

FIXED CAPITAL (Note 1):

Road and equipment (Schedule 1).....	\$38,431,104.57
Less accumulated depreciation (Schedule 2).....	22,907,094.54
Road and equipment - net.....	\$15,484,010.03
Construction in progress.....	280,139.21
Total fixed capital.....	\$15,764,149.24

CASH:

On deposit with Treasurer.....	\$ 4,675,104.49
Revolving funds.....	15,000.00
Total cash.....	4,690,104.49

62,635.63

INTERFUND ACCOUNTS RECEIVABLE:

Due from General City and County.....	\$ 8,344.64
Due from other public service enterprises.....	2,472.10
Total interfund accounts receivable.....	10,816.74

DEFERRED CHARGES:

Materials and supplies - principally at average cost and at estimated scrap or market value.....	\$ 672,163.98
Prepaid rental of leased motor coaches.....	1,142,859.89
Prepaid insurance premiums and other deferred charges.....	12,792.20
Uncompleted contracts, purchase orders, and other commitments (see contra).....	1,327,593.44
Total deferred charges.....	3,155,399.51

TOTAL.....\$23,683,105.61

LIABILITIES

BONDED DEBT:

Unmatured bonds (Schedule 3):	
Maturing within one year.....	\$ 1,634,000.00
Maturing subsequent to June 30, 1958.....	2,035,000.00
Total.....	\$10,670,000.00
Matured bonds not presented for payment.....	200.00
Total bonded debt.....	\$10,670,200.00

BOND INTEREST PAYABLE:

Accrued but not due.....	\$ 77,976.65
Matured coupons not presented for payment.....	1,495.00
Total bond interest payable.....	79,471.65

ACCOUNTS PAYABLE, ACCRUED LIABILITIES, AND COMMITMENTS:

Outstanding warrants and payroll deductions.....	\$ 1,167,026.92
General creditors.....	229,286.15
Accrued California use tax.....	115,468.05
Accrued social security taxes.....	37,712.14
Uncompleted contracts, purchase orders, and other commitments (see contra).....	1,327,593.44
Total accounts payable, accrued liabilities, and commitments.....	2,877,076.70

INTERFUND ACCOUNTS PAYABLE:

Due to General City and County.....	\$ 322,677.16
Due to other public service enterprises.....	74,956.75
Total interfund accounts payable.....	397,633.91

ESTIMATED LIABILITIES (reserves):

Accident claims.....	\$ 2,649,416.78
Employees' compensation claims.....	185,100.00
Outstanding tokens.....	833.25
Total estimated liabilities.....	2,835,350.03

DEFERRED CREDITS:

Contributed surplus.....	\$17,867,272.31
Less deficit from operations.....	11,056,076.63
TOTAL.....	\$6,811,195.68

TOTAL.....\$23,683,105.61

The accompanying Notes to Financial Statements are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCOSTATEMENT OF INCOME
FOR THE YEARS ENDED JUNE 30, 1957 AND 1956, AND COMPARISON

	.....YEAR ENDED JUNE 30.....		INCREASE (DECREASE)
	1957	1956*	
OPERATING INCOME:			
Passenger revenue.....	\$20,033,834.37	\$20,252,609.60	\$(218,775.23)
Advertising revenue.....	155,268.57	155,466.70	(198.13)
Rents.....	17,148.52	16,718.01	430.51
Other.....	36,010.97	31,226.84	4,784.13
Total.....	\$20,242,262.43	\$20,456,021.15	\$(213,758.72)
OPERATING EXPENSES:			
Maintenance and repairs:			
Way and structures.....	\$ 758,603.42	\$ 731,950.84	\$ 26,652.58
Equipment.....	2,226,831.23	2,241,422.40	(14,591.17)
Total.....	\$ 2,985,434.65	\$ 2,973,373.24	\$ 12,061.41
Power.....	1,875,848.67	2,001,050.20	(125,201.53)
Conducting transportation.....	11,156,425.62	11,119,861.24	36,564.38
General and miscellaneous.....	2,399,174.47	2,421,004.70	(21,830.23)
Payroll taxes.....	244,501.86	231,077.18	13,424.68
Total.....	\$18,661,385.27	\$18,746,366.56	\$(84,981.29)
Provision for accident claims.....	1,502,537.58	1,518,945.72	(16,408.14)
Depreciation (Schedule 2).....	1,041,798.34	1,399,251.37	(357,453.03)
Rent of leased coaches.....	767,452.70	293,805.09	473,647.61
Total.....	\$21,973,173.89	\$21,958,368.74	\$ 14,805.15
LOSS FROM OPERATIONS.....	\$ 1,730,911.46	\$ 1,502,347.59	\$ 228,563.87
OTHER EXPENSES:			
Interest on bonded debt.....	\$ 200,922.05	\$ 227,698.57	\$(26,776.52)
Loss on fixed capital assets retired...	40,814.13	11,420.02	29,394.11
Obsolescence of materials and supplies.	11,066.68	6,291.62	4,775.06
Net adjustments to prior years' losses.	41,477.74	(5,518.06)	46,995.80
Total.....	\$ 294,280.60	\$ 239,892.15	\$ 54,388.45
Total.....	\$ 2,025,192.06	\$ 1,742,239.74	\$ 282,952.32
OTHER INCOME:			
Interest on bank balances.....	\$ 27,233.25	\$ 27,642.60	\$(409.35)
Gains from sales of fixed capital assets, proceeds from sale of scrap, and sundry income.....	68,066.32	59,402.18	8,664.14
Total.....	\$ 95,299.57	\$ 87,044.78	\$ 8,254.79
NET LOSS.....	\$ 1,929,892.49	\$ 1,655,194.96	\$ 274,697.53

The accompanying Notes to Financial Statements
are an integral part of this statement.

*The figures for the year ended June 30, 1956 are presented, for the purpose of comparison, as shown by the report of other accountants, and are not covered by the accompanying accountants' opinion.

MUNICIPAL RAILWAY OF SAN FRANCISCOSTATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1957

CONTRIBUTED SURPLUS:

Balance, July 1, 1956.....	\$14,371,943.30	
Contributions from General Fund of the City and County of San Francisco - from general taxes.....	<u>3,495,329.01</u>	
Balance, June 30, 1957.....		\$17,867,272.31

DEFICIT FROM OPERATIONS:

Balance, July 1, 1956.....	\$ 9,126,184.14	
Net loss for year.....	<u>1,929,892.49</u>	
Balance, June 30, 1957.....		<u>11,056,076.63</u>

NET SURPLUS, JUNE 30, 1957.....		<u>\$ 6,811,195.68</u>
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The accompanying Notes to Financial Statements
are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1957

1. FIXED CAPITAL

Fixed capital - road and equipment - is stated at appraisal valuations as of June 30, 1953 plus subsequent additions at cost.

Accumulated depreciation is stated at amounts determined by appraisal as of June 30, 1953 plus subsequent additions at rates based upon the estimated useful lives of the various classes of assets as determined by the appraisal or estimated for capital additions acquired subsequent to the appraisal.

No city or county property taxes or franchise taxes are paid by the Railway in the operation of its business.

The fixed capital accounts at June 30, 1957 include non-operated track, roadway, underground conduit, distribution system, poles, and fixtures, fully depreciated, in the aggregate amount of approximately \$1,450,000. The amount of non-operated facilities included in other fixed capital classifications has not as yet been determined by the Railway.

The provision for depreciation of fixed capital for the year ended June 30, 1957 amounted to \$1,041,798.34.

Certain of the motor coaches in operation are leased and under the terms of the contract additional coaches are to be leased and placed in operation. Each fleet of coaches is leased to the Railway for a period of six years with annual rentals computed on a mileage basis. Total rentals and related charges paid by the Railway for the coaches in operation amounted to \$767,452.70 for the year ended June 30, 1957. The Railway also has entered into an agreement to lease, on a mileage basis, electric one-man streetcars to be delivered subsequent to June 30, 1957.

2. PENSION PLAN

The Railway, as a part of the City and County of San Francisco, has a compulsory retirement plan for full-time employees. The Retirement System is financed by contributions from the employees and the Railway through the City and County of San Francisco. Payments to the Retirement System for benefits, charged to income for the year ended June 30, 1957, amounted to approximately \$950,000, and were made in amounts on the basis of actuarial computations adequate to provide pensions for employees upon retirement. Amounts payable for past-service benefits were the liability of the City and County of San Francisco.

MUNICIPAL RAILWAY OF SAN FRANCISCO

SUMMARY OF FIXED CAPITAL - ROAD AND EQUIPMENT
FOR THE YEAR ENDING JUNE 30, 1957

	BALANCE		ADDITIONS		RETIREMENTS		RECLASSIFICATIONS		BALANCE
	JULY 1, 1956		JULY 1, 1956		JULY 1, 1956		JULY 1, 1956	JUNE 30, 1957	
WAY AND STRUCTURES:									
Right of way.....	\$ 157,632.33							\$ 157,632.33	
Other land.....	1,132,369.70							1,131,869.70	
Grading.....	711,512.74	\$ 9,398.15						686,756.73	
Ballast.....	355,564.76							346,931.95	
Ties.....	225,208.47							220,292.88	
Rails, rail fastenings, and joints.....	1,175,252.47	5,337.07						1,145,800.29	
Special track work.....	433,564.32	42,802.38						435,916.00	
Underground construction.....	1,505,652.57	201,914.28						1,490,316.85	
Track and roadway labor.....	1,631,225.34	20,383.88						1,617,137.44	
Paving.....	1,227,013.90	12,885.77						1,178,058.53	
Roadway machinery and tools.....	66,287.10							66,287.10	
Tunnels and subways.....	14,987.49							14,987.49	
Bridges, trestles, and culverts.....	4,334.85							4,334.85	
Crossings, fences, and signs.....	49,370.29							4,113.01	
Signals and interlocking apparatus.....	20,565.76							13,335.76	
Communication systems.....	54,042.27	138.72						54,180.99	
Poles and fixtures.....	1,535,082.27	27,297.70						1,436,483.96	
Underground conduits.....	415,773.99	55,520.62						459,246.79	
Distribution system.....	3,726,833.99	106,854.34						3,801,710.25	
General office buildings - cable cars.....	21,080.00							21,080.00	
Shops, carhouses, and garages.....	5,314,072.47							5,314,072.47	
Stations - miscellaneous buildings and structures.....	167,306.53	11,489.67						174,087.20	
Total.....	\$19,944,733.61	\$494,022.58						\$19,324,712.57	
EQUIPMENT:									
Electric streetcars.....	\$ 2,096,780.64							\$ 1,881,425.24	
Cable cars.....	394,159.83							329,001.48	
Motor coaches.....	5,735,840.50							5,113,234.33	
Trolley coaches.....	7,479,465.92							7,479,465.92	
Fare boxes.....	155,984.00							155,984.00	
Service equipment - electric.....	73,487.04							73,487.04	
Electric equipment of streetcars and trolley coaches.....	1,009,698.63							889,757.14	
Shop equipment.....	829,614.52	2,936.12						815,066.40	
Furniture and office equipment.....	254,892.24	3,802.62						255,488.37	
Automotive and miscellaneous service equipment.....	242,280.62							258,428.22	
Total.....	\$18,272,203.94	\$ 6,738.74						\$17,251,339.14	
POWER:									
Substation buildings.....	\$ 367,222.17	\$ 7,421.87						\$ 374,644.04	
Power plant equipment - cable cars.....	361,962.00							150,706.00	
Substation equipment.....	720,901.36	1,713.70						722,615.06	
Transmission system.....	7,088.76							7,088.76	
Total.....	\$1,437,174.29	\$ 9,135.57						\$ 1,255,053.86	
TOTAL.....	\$39,674,111.84	\$509,896.89						\$38,931,184.57	

Reference is made to Note 1 of Notes to Financial Statements.

The balance, July 1, 1956 was taken from reports of other accountants.

MUNICIPAL RAILWAY OF SAN FRANCISCO

**SUMMARY OF ACCUMULATED DEPRECIATION OF FIXED CAPITAL - ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1957**

	BALANCE JULY 1, 1956	PROVISION FOR YEAR	RETIREMENTS	RECLASSIFICATIONS	BALANCE JUNE 30, 1957
WAY AND STRUCTURES:					
Graveling.....	\$ 322,559.78	\$ 30,621.85	\$ 34,154.16		\$ 319,027.47
Ballast.....	255,406.10	7,085.53	8,632.81		253,858.02
Ties.....	144,353.20	5,803.00	4,915.59		145,240.61
Ballis, rail fastenings, and joints.....	863,519.66	22,630.91	32,906.44		793,244.13
Special track work.....	301,056.19	8,229.40	39,831.61		269,453.98
Underground construction.....	1,452,404.20	1,101.90	67,250.00		1,386,256.10
Track and roadway labor.....	829,154.73	56,926.25	34,411.78		851,669.20
Paving.....	844,610.16	27,495.90	61,841.14		810,272.94
Roadway machinery and tools.....	55,230.02	14,987.49			56,049.21
Tunnels and subways.....	3,359.47	108.37			3,467.84
Bridges, trestles, and culverts.....	47,107.05	228.34	45,257.28		2,078.11
Crossings, fences, and signs.....	13,240.24	923.36	6,517.63		7,645.97
Signal and interlocking apparatus.....	36,591.14	4,472.18			41,063.32
Communication systems.....	842,448.93	24,299.09	119,601.21		747,146.81
Poles and fixtures.....	269,162.09	7,444.76	11,806.86		284,799.99
Underground systems.....	1,458,343.28	89,434.30	27,181.37		1,520,596.21
Distribution system.....	20,467.30	448.51			20,915.81
General office buildings - cable cars.....	2,329,973.07	104,496.00	4,709.00		2,434,469.07
Shops, carhouses, and garages.....	76,688.62	5,591.51			77,571.13
Stations - miscellaneous buildings and structures.....	10,140,670.74	\$ 398,100.35	\$ 439,016.88		\$10,039,754.21
Total.....	\$ 1,329,369.97	\$ 58,778.41	\$ 207,155.48	\$ 1,180,992.98	\$ 1,180,992.98
EQUIPMENT:					
Electric streetcars.....	366,523.83	3,802.24	5,062,163.30		321,365.48
Cable cars.....	5,672,572.11	487,044.92	598,213.45		5,062,163.30
Motor coaches.....	3,203,132.38	9,650.89			3,690,177.30
Trolley coaches.....	71,577.25	153.32			81,228.14
Pass buses.....	72,379.31	19,944.58			72,532.63
Service equipment - electric.....	705,108.07	30,094.64	115,841.49		609,211.16
Electric equipment of streetcars and trolley coaches.....	582,788.36	6,647.71	17,028.08		595,854.92
Shop equipment.....	193,861.39	13,732.17	2,972.70		197,536.40
Furniture and office equipment.....	170,254.39				199,994.16
Automotive and miscellaneous service equipment.....	\$12,367,577.06	\$ 629,848.88	\$1,006,369.47		\$12,011,056.47
Total.....	\$ 269,577.66	\$ 6,178.96	\$ 201,819.92	\$ 275,756.62	\$ 275,756.62
POWER:					
Substation buildings.....	349,802.70	606.22			348,589.00
Power plant equipment - cable cars.....	458,140.29	7,063.93			465,204.22
Substation equipment.....	6,734.02				6,734.02
Transmission system.....	\$1,084,254.67	\$ 13,849.11	\$ 201,819.92		\$ 896,283.86
Total.....	\$23,612,502.47	\$1,041,798.34	\$1,707,206.27	\$22,947,094.54	\$22,947,094.54

Reference is made to Note 1 of Notes to Financial Statements.

The balance, July 1, 1956 was taken from reports of other accountants.

MUNICIPAL RAILWAY OF SAN FRANCISCO

UNMATURED BONDED DEBT
JUNE 30, 1957

REHABILITATION ISSUE OF 1947:			....PRINCIPAL AMOUNT OUTSTANDING....	
INTEREST RATES	PRINCIPAL AMOUNT OF ANNUAL MATURITIES	MATURITY DATES	JUNE 30, 1957	
Series A (dated February 1, 1948).....	\$433,000.00	February 1, 1958	\$	433,000.00
2-1/2%	433,000.00	February 1, 1959-63		2,165,000.00
Series B (dated August 1, 1948).....	559,000.00	August 1, 1957-58	\$1	1,118,000.00
1-3/4%	559,000.00	August 1, 1959-60		1,118,000.00
2%	560,000.00	August 1, 1961-63		1,680,000.00
Series C (dated March 1, 1949).....	380,000.00	March 1, 1958	\$	380,000.00
1-1/2%	400,000.00	March 1, 1959-64		2,400,000.00
Series D (dated August 1, 1949).....	104,000.00	August 1, 1957-60	\$	416,000.00
1-1/4%	104,000.00	August 1, 1961-64		416,000.00
Series E (dated November 1, 1949)....	38,000.00	November 1, 1957-61	\$	130,000.00
1-1/4%	38,000.00	November 1, 1962-64		114,000.00
Series G (dated March 1, 1952).....	120,000.00	March 1, 1958-59	\$	240,000.00
1-1/4%				
TOTAL.....				\$10,670,000.00

San Francisco School Department
(A Unified School District)



**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1957**

BENJAMIN H. HICKLIN
CERTIFIED PUBLIC ACCOUNTANT
408 RUSS BUILDING
SAN FRANCISCO 4

October 25, 1957

Honorable Harry D. Ross, Controller
City and County of San Francisco,
San Francisco, California

Dear Sir:

According to the terms of our engagement, we have examined the accounts and records of the San Francisco Unified School District for the fiscal year ended June 30, 1957.

There are presented herewith for your consideration:

EXHIBIT A COMBINED PROPRIETARY BALANCE SHEET - JUNE 30, 1957

EXHIBIT B STATEMENT OF SURPLUS - CURRENT FUND
For the fiscal year ended June 30, 1957

EXHIBIT C STATEMENT OF SURPLUS - CAPITAL FUNDS
For the fiscal year ended June 30, 1957

EXHIBIT D CURRENT FUND - COMPARATIVE STATEMENT OF REVENUE
AND EXPENDITURES
For the fiscal years ended
June 30, 1957 and June 30, 1956

EXHIBIT E FUNDS BALANCE SHEET - JUNE 30, 1957

EXHIBIT F RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH
FUNDS BALANCE SHEET AS OF JUNE 30, 1957

EXHIBIT G NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 1957

together with Schedules 1 to 4, inclusive, in analysis thereof.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Explanatory comments relative to the Exhibits and Schedules

listed above, follow:

COMBINED PROPRIETARY BALANCE SHEET - EXHIBIT A

CASH \$10,933,188 comprised the aggregate of School Fund balances on deposit with the Treasurer, cash transfers outstanding, Revolving Funds, the Hume Foundation, together with the Bond Interest and Redemption Funds applicable to School bonds issued by the City and County of San Francisco. These balances are summarized in Exhibit A, with details in Schedule 1 and Schedule 2. The following shows the fund balances at June 30, 1957 by groups:

Balances on Deposit with Treasurer -		
Current Fund - Exhibit A	\$	7 310 256
Capital Funds - Exhibit A		2 436 910
1948 School Bond Fund	\$	2 192 320
1956 School Bond Fund		60 000
Real Property Fund		<u>184 590</u>
Special Funds - Schedule 1		443 087
Child Care Centers		149 693
School Cafeterias		<u>293 394</u>
Trust Funds - Schedule 2		311 670
Withholding Tax		38 854
Teachers' Annuity		19 872
Teachers' Retirement		18 213
Teachers' Sabbatical Leave		2 302
Fund for Advancement of Education		192 861
Miranda Lux Foundation		28 177
Anna Steinberg Trust		1 150
Will C. Steinbrunn Bequest		10 176
Veterans' Education		<u>65</u>
Total Cash on Deposit with Treasurer	\$	10 501 923
Cash Transfers Outstanding - Exhibit A		409 188
Revolving Funds - Exhibit A		5 500
School District Revolving Funds		3 000
School Cafeteria Revolving Funds		<u>2 500</u>
Hume Foundation Trust Fund - deposited in American Trust Company - Exhibit A		<u>161</u>
Total School District Cash	\$	10 916 772

Forward

Balances in the Bond Interest and Redemption Funds of the City and County of San Francisco- included in the Proprietary Balance Sheet as an offset to bonds and interest payable			16 416
Bonds matured	- unpaid - Schedule 1	\$ 13 000	
Bond interest matured-	unpaid - Schedule 1	3 416	

TOTAL CASH - JUNE 30, 1957 - EXHIBIT A	\$ 10 933 188
--	---------------

Balances on deposit with the Treasurer are the balances of the various funds shown on the accounts of the Treasurer. Warrants drawn against those funds before July 1, 1957, but not presented to the Treasurer for payment before July 1, 1957 are shown as liabilities of the various funds in Exhibit A.

Cash transfers outstanding represents the aggregate of amounts in transfer between the various funds and were recorded as completed transactions on the School District ledger as of June 30, 1957, but the transfers were recorded in the accounts of the Treasurer after that date.

ACCOUNTS RECEIVABLE, \$1,071,099 represent amounts due to the Current Fund and Special Funds of the School District at June 30, 1957, as follows:

Delinquent taxes and penalties	\$	280 200
Secured	\$ 280 200	
Unsecured	483 297	
Total taxes and penalties	\$ 763 497	
Less Reserve for unsecured taxes	483 297	
Other Accounts Receivable - Current Fund		736 999
Federal grant for school construction	500 213	
Tuition due from other counties and districts-		
Amount due, but not billed at June 30, 1957	147 483	
Tuition for prior years, not collected	482	
Federal subvention for aid to local education-		
estimated	60 000	
Federal subvention for vocational training of veterans	6 591	
Student teacher training program	8 890	
Disputed salary payments of prior years,		
recoverable at termination of employment	5 633	
Miscellaneous	7 707	

Forward

Forward

Child Care Centers - State Apportionment	\$	4	916
School Cafeterias		48	984
Federal grant	\$	40	606
Undeposited sales receipts		8	241
Miscellaneous		137	

TOTAL ACCOUNTS RECEIVABLE - JUNE 30, 1957 - EXHIBIT A \$ 1 071 099

Secured taxes and penalties have been recorded as assets and have been credited to income when assessed. All other accounts receivable have been recorded as assets, but have been offset by deferred credits and will be taken into income only after collection.

Federal grant for school construction, \$500,213, is the balance of a grant of \$1,250,531 for the construction of the Silver and Thomas Avenues Elementary School. Instalments are received on this grant as the construction of the school progresses.

INVENTORY - STORES - AT COST, \$739,751 comprises unissued supplies, furniture and equipment stored in various warehouses. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1956, January 31, 1957, February 28, 1957, and March 31, 1957. The general ledger accounts were adjusted to agree with the physical inventories as of the dates of the inventory taking.

INVENTORY - SHOP - AT COST, \$33,059 comprises the following:

Refinished furniture, not reissued	\$	6	885
Shop orders in process of completion		3	340
Materials and supplies		22	834

TOTAL INVENTORY - SHOP - JUNE 30, 1957 - EXHIBIT A \$ 33 059

FIXED CAPITAL PROPERTIES, \$110,242,898, is the aggregate recorded cost or valuation of land, buildings, improvements and equipment as shown by the Controller's records as of June 30, 1957. Net additions during the fiscal year ended June 30, 1957 and the accumulated ledger values

are summarized, as follows:

	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>
Additions per School District records -				
1948 School Bond Fund	\$ 3 936 634	\$	\$ 3 807 178	\$ 129 456
1956 do do	750		750	
Current Fund	1 011 858	25 453	499 179	487 226
Child Care Centers Fund	15 477			15 477
Real Property Fund	11 158	11 158		
Total Additions	<u>\$ 4 975 877</u>	<u>\$ 36 611</u>	<u>\$ 4 307 107</u>	<u>\$ 632 159</u>
Deductions -				
Net reduction due to properties sold or otherwise disposed of - (see explanatory note)	\$ 275 456	\$ 146 592	\$ 68 123	\$ 60 741
Other reconciling items	(592)	227	(685)	(134)
Total Deductions	<u>\$ 274 864</u>	<u>\$ 146 819</u>	<u>\$ 67 438</u>	<u>\$ 60 607</u>
Net additions per Controller's records for the fiscal year ended June 30, 1957	\$ 4 701 013	\$ (110 208)	\$ 4 239 669	\$ 571 552
Add accumulated ledger values at July 1, 1956	105 338 305	14 024 591	81 659 109	9 654 605
Add net adjustment per Real Estate Department valuation dated January 1, 1955	203 580	243 902	(40 322)	
TOTALS - JUNE 30, 1957 - PER CONTROLLER'S RECORDS - EXHIBIT A	<u>\$110 242 898</u>	<u>\$14 158 285</u>	<u>\$85 858 456</u>	<u>\$10 226 157</u>

Note - The reduction for land and buildings sold or otherwise disposed of includes \$73,917 applicable to the preceding fiscal year.

Note - Items in () denote decreases.

We did not test the cost of additions acquired through the 1948 School Bond Fund or the 1956 School Bond Fund as these funds were subject to examination by the certified public accountants engaged to examine the Controller's records.

At June 30, 1957 Fire and General Coverage Insurance in force on the School District Properties was \$82,567,000. Effective July 1, 1957 it was increased to \$86,123,000. We obtained an independent verification that the coverage, as stated, was in force on the dates stated.

BOND INTEREST PAYABLE AND ACCRUED, \$229,699. represents:

Matured coupons - not presented by bondholders	\$ 3 416
Interest accrued - not due at June 30, 1957	<u>226 283</u>
Total	<u>\$ 229 699</u>

Interest on the School Bonds is not recorded on the ledger of the Unified School District because the School Bonds and the interest thereon are a general obligation of the City and County of San Francisco. The bonds and interest are shown on the Proprietary Balance Sheet, Exhibit A, because those obligations were incurred for the acquisition of the Fixed Properties of the School District. This practice has been followed in prior years and the interest accrued but not due, \$226,283, is recorded as a deferred charge at June 30, 1957.

DEFERRED CREDIT - PROVISION FOR SICK LEAVES AND VACATIONS EARNED, \$67,042, is the estimated obligation of the School District for the sick leaves and vacations earned by the Cafeteria employees before July 1, 1957.

BONDED DEBT, \$41,471,000, is the aggregate of School bonds outstanding at June 30, 1957, after considering the sales and redemptions during the fiscal year ended June 30, 1957, as shown by the Controller's

records, as follows:

	<u>Int. Rate</u>	<u>Balance July 1, 1956</u>	<u>Sold</u>	<u>Redeemed</u>	<u>Balance June 30, 1957</u>
AUTHORIZED IN 1922					
<u>Issued</u>					
Mar. 1, 1923	5.00%	\$ 3 301 000	\$	\$ 298 000	\$ 3 003 000*
AUTHORIZED IN 1948					
<u>Issued</u>					
Mar. 1, 1949-A	1.25	1 400 000		500 000	900 000
Mar. 1, 1949-A	1.50	3 000 000			3 000 000
Apr. 1, 1951-B	1.75	7 697 000		759 000	6 938 000**
Mar. 1, 1952-C	1.50	7 840 000		240 000	7 600 000
Dec. 1, 1952-D	1.75	9 250 000		250 000	9 000 000
Aug. 1, 1953-E	4.00	320 000		320 000	Nil
Aug. 1, 1953-E	2.50	3 840 000			3 840 000
Mar. 1, 1954-F	1.00	400 000		200 000	200 000
Mar. 1, 1954-F	1.25	1 000 000			1 000 000
Mar. 1, 1954-F	1.50	800 000			800 000
Mar. 1, 1954-F	1.75	400 000			400 000
Apr. 1, 1955-G	6.00	200 000		100 000	100 000
Apr. 1, 1955-G	1.75	3 700 000			3 700 000
Apr. 1, 1957	6.00		130 000		130 000
Apr. 1, 1957	2.25		130 000		130 000
Apr. 1, 1957	2.50		730 000		730 000
Totals		\$43 148 000	\$990 000	\$2 667 000	\$41 471 000

In November 1956 the citizens of the City and County of San Francisco authorized an additional bond issue of \$27,000,000, but none of that issue had been sold before July 1, 1957.

* Includes \$ 3,000 matured but unpaid at June 30, 1957.

** Includes \$10,000 matured but unpaid at June 30, 1957.

SURPLUS - EXCESS OF ASSETS OVER LIABILITIES - \$75,566,682 comprises the Current Surplus, Capital Surplus, Special Funds and Trust Funds detailed in Exhibit A and summarized as follows:

	<u>Assets</u>	<u>Liabilities</u>	<u>Surplus</u>
Current Fund	\$ 11 800 270	\$ 7 738 711	\$ 4 061 559
Capital Funds	114 743 191	43 678 106	71 065 085*
Special and Trust Funds	1 483 359	1 043 321	440 038
Totals	\$128 026 820	\$52 460 138	\$75 566 682

* Principally represented by land, buildings and equipment.

CONTINGENT LIABILITIES - INSURANCE

The School District does not carry general public liability insurance. The legal adviser of the School District advised us that he estimated the District's contingent liability for the school year 1957-58 would be \$100,000.

The School District does not carry workmen's compensation insurance covering employees other than those of the Child Care Centers. The Retirement Board of the City and County of San Francisco advised us that the unsettled workmen's compensation claims at June 30, 1957 approximated \$110,000.

We examined the insurance policies, other than fire, in force at June 30, 1957 which included the following:

Rental income - Lincoln Building - Fire and extended coverage. Actual rental not to exceed	\$ 354 000
Loss of specific property (camera and borrowed property)	2 513
Automobiles (including driver training program autos):	
Bodily injury (including non-ownership coverage)	\$200,000/500,000
Property damage	100,000
Fire and Theft	Cash value
Collision (driver training vehicles only)	\$100 deductible
Child Care Centers	
Bodily injury	\$100,000/1,000,000
Property damage	\$1,000/10,000
Boiler	
City College	500 000
High Schools - each	250 000
All other schools - each	100 000
Valuable records	
Other than monies and securities	50 000
Blanket fidelity bond - each loss	25 000
Additional fidelity bond coverage	
Superintendent of Schools	25 000
Chief of Budget Division	15 000
Supervisor of Accounts	6 000
Board of Education members - each	2 500
Workmen's compensation	Statutory
General liability - warehouse	\$100,000/200,000

REVENUES AND EXPENDITURES

A Comparative Statement of Revenues and Expenditures of the Current Fund for the fiscal years ended June 30, 1957 and June 30, 1956 is presented in Exhibit D and Schedule 3. The following is a summary of the comparative statements:

REVENUES	Fiscal years ended		Increase (Decrease)
	June 30, 1957	June 30, 1956	
Property Taxes and Penalties *	\$25 512 989	\$22 033 650	\$3 479 339
State of California -			
School funds apportionment	11 781 289	11 477 905	303 384
Retirement subventions	1 018 652	993 476	25 176
Other Revenues	2 337 281	1 790 703	546 578
Total Revenues - Schedule 3	\$40 650 211	\$36 295 734	\$4 354 477
Less Total Operating Expenses	39 772 783	35 956 520	3 816 263
Balance	\$ 877 428	\$ 339 214	\$ 538 214
Less Net Capital Outlays from Current Fund	927 264	1 097 426	(170 162)
Excess of Expenditures over Revenues was deducted from Surplus	\$ (49 836)	\$ (758 212)	\$ (708 376)

* The School District tax rates and assessed valuations for the tax years 1955-56 and 1956-57 were as follows:

1955-56 tax rate	\$1.754326	-	Assessed Valuation	\$1,264,197,531.
1956-57 do do	1.972106	-	do	1,305,520,397.

Revenues from the State School Fund comprise apportionments based upon the average daily attendance, certain excess expenses of educating handicapped children and for automobile driver training. The total revenue from the State for the fiscal year ended June 30, 1957 was, as follows:

	<u>Totals</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Average daily attendance - residents - see Notes 1 and 2	89,315	58,634	24,792	5,889
\$120.00 per pupil	\$10 717 800	\$7 036 080	\$2 975 040	\$706 680
Apportionment based upon increase in attendance over that of the prior year - see Note 3	\$ 283 496	\$ 159 225	\$ 124 271	\$
Additional apportionment for prior years	14 554	12 595	(195)	2 154
Total	\$ 298 050	\$ 171 820	\$ 124 076	\$ 2 154
Apportionment for excess expense of educating handicapped children:				
Physically handicapped -				
Average daily attendance	857	717	140	
Extra expense - not over \$400.00 per pupil	\$ 342 800	\$ 286 800	\$ 56 000	
Mentally retarded -				
Average daily attendance	1,292	798	494	
Extra expense - not over \$150.00 per pupil	\$ 193 800	\$ 119 700	\$ 74 100	
Severely mentally retarded -				
Average daily attendance	126	126		
Extra expense - not over \$400.00 per pupil	\$ 50 400	\$ 50 400		
Transportation expense of certain handicapped children -				
Average daily attendance	361	361		
Expense to district - not over \$350.00 per pupil	\$ 116 759	\$ 116 759		
Total for handicapped children	\$ 703 759	\$ 573 659	\$ 130 100	
Automobile driver training -				
Number of pupils trained	2,056		2,056	
Apportionment - see Note 4	\$ 61 680		\$ 61 680	
Total State Apportionments	\$11 781 289	\$7 781 559	\$3 290 896	\$708 834

Explanatory Notes -

- 1- Attendance and apportionment data applicable to evening schools and the continuation school are included in the column for high schools above.
- 2- Average daily attendance for the previous year was the primary basis for apportionment in the current year. The average daily attendance listed in the above schedule is that of the year ended June 30, 1956.
- 3- The increase in average daily attendance is based on attendance reports for periods ended in December and April of the current school year.
- 4- The apportionment for automobile driver training is the lower of:
 - (a) 75% of the actual cost, or
 - (b) \$30.00 times the number of pupils trained, but not to exceed the enrollment in grades 10, 11 or 12, whichever is greater.

A comparison of the average daily attendance for the past three years follows:

	<u>1956-57</u>	<u>1955-56</u>	<u>1954-55</u>
Elementary schools	60,140	58,634	56,920
High Schools	26,110	24,792	24,919
City College	<u>5,910</u>	<u>5,889</u>	<u>5,395</u>
Totals	<u>92,160</u>	<u>89,315</u>	<u>87,234</u>

We examined the reports submitted to the State Department of Education as a basis for State apportionment for the fiscal year 1957-58 and have tested the records in support thereof to satisfy ourselves that they fairly presented the average daily attendance during the fiscal year ended June 30, 1957.

The average daily attendance during the fiscal year ended June 30, 1957 will be the basis for apportionment for the fiscal year ending June 30, 1958, as follows:

	<u>Total</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Total average daily attendance	92,160	60,140	26,110	5,910
Handicapped children -				
Physically handicapped	812	701	111	
Mentally retarded	1,302	972	330	
Severely mentally retarded	135	135		
Requiring special transportation	367	367		
Automobile driver training -				
Number of pupils trained	2,538		2,538	

Direct revenues increased \$4,338,747 during the fiscal year ended June 30, 1957 as compared with the year 1956. A decrease of approximately \$45,000 in the tuition received from the Oakland Unified School District for its students at City College accounted for the greater portion of the decrease in the tuition received from other counties and districts.

Instruction salaries increased \$2,179,272 during the fiscal year ended June 30, 1957. Contributions to the City Retirement System increased \$383,153 and the contributions to the State Teachers' Retirement System increased \$744,897. The increased contributions to the State System were due, in part, to legislation enacted in 1955. There was an obligation, effective July 1, 1956, to pay to the State a contribution equal to three per cent of the salaries paid to the District's certificated employees who are members of the State Teachers' Retirement System.

Maintenance and Repairs of buildings and equipment increased \$263,251 for the fiscal year ended June 30, 1957 over the preceding year. Capital Outlays from Current Fund decreased \$170,162 for the fiscal year ended June 30, 1957, compared with the preceding year.

GENERAL COMMENTS

CHILD CARE CENTERS

25 Child Care Centers were operated during the fiscal year ended June 30, 1957, with a total enrollment of 1,193 children at June 30, 1957. The average daily attendance during the fiscal year ended June 30, 1957 was 1,300. The total hours of child attendance for the years ended June 30, 1957 and June 30, 1956 follows:

	Fiscal years ended		Increase
	June 30, 1957	June 30, 1956	(Decrease)
Hours of attendance			
Nursery (under 5 years, 9 months old)	1,059,875	1,226,838	(166,963)
School age (over 5 years, -9 months old)	1,020,317	868,213	152,104
Total hours of attendance	2,080,192	2,095,051	(14,859)

A comparative statement of revenues and expenditures of the Child Care Centers for the fiscal years ended June 30, 1957 and June 30, 1956 follows:

REVENUES	Fiscal years ended		Increase
	June 30, 1957	June 30, 1956	(Decrease)
State apportionment	\$ 468 368	\$ 505 343	\$(36 975)
Fees from parents	359 629	331 201	28 428
District taxes	205 120	169 866	35 254
Federal grant	11 126	5 145	5 981
Miscellaneous	2 310	3 461	(1 151)
TOTAL REVENUE	\$1 046 553	\$1 015 016	\$ 31 537

EXPENDITURES	Fiscal years ended		Increase
	June 30, 1957	June 30, 1956	(Decrease)
Administration	\$ 67 086	\$ 62 932	\$ 4 154
Instruction	619 296	578 435	40 861
Auxiliary services	17 791	15 439	2 352
Operation	140 394	133 683	6 711
Maintenance	17 310	24 771	(7 461)
Fixed charges	12 050	10 759	1 291
Food	178 804	180 180	(1 376)
Capital outlay	15 477	15 165	312
TOTAL EXPENDITURES	\$1 068 208	\$1 021 364	\$ 46 844
EXCESS OF EXPENDITURES OVER REVENUE	\$(21 655)	\$(6 348)	\$(15 307)

COUNTY SCHOOL SERVICE FUND

The revenue and expenditures of the County School Service

Fund for the year ended June 30, 1957 were as follows:

Revenue from State apportionment	\$ 64 199
Less Expenditures	64 199
Office of County Superintendent of Schools	\$ 2 400
Bureau of Research	12 635
Curriculum services	36 664
Visual education	12 500

Nil

CAFETERIAS

48 complete cafeteria units and 17 branch cafeteria units, which were serviced from the kitchens of complete units, were operated by the School District during the fiscal year ended June 30, 1957.

A comparative statement of income and expenditures of the School Cafeterias for the fiscal years ended June 30, 1957 and June 30, 1956 follows:

REVENUES	Fiscal years ended		Increase
	June 30, 1957	June 30, 1956	(Decrease)
Sales - Cafeterias	\$ 1 274 786	\$ 1 140 126	\$ 134 660
Sales - Mid-morning lunches	170 920	162 710	8 210
Contribution from the Department of Public Health of the City and County of San Francisco for mid-morning milk	8 150	8 200	(50)
Federal grants			
Current year	254 585	193 751	60 834
Additional amounts applicable to prior years	1 700	1 378	322
Other adjustments to recorded income of prior years	70	3 630	(3 560)
TOTAL REVENUES	\$ 1 710 211	\$ 1 509 795	\$ 200 416
EXPENDITURES	Fiscal years ended		Increase
	June 30, 1957	June 30, 1956	(Decrease)
Cost of food	\$ 1 049 925	\$ 914 384	\$ 135 541
Salaries	456 127	419 205	36 922
Meals for student help	38 444	33 533	4 911
Supplies and expenses	60 510	53 305	7 205
Provision for sick leave and vacations	71 128	57 587	13 541
Adjustments to recorded expenses of prior years	3 154		3 154
TOTAL EXPENDITURES	\$ 1 679 288	\$ 1 478 014	\$ 201 274
BALANCE - NET INCOME	\$ 30 923	\$ 31 781	(858)

The net income of the cafeterias is held in trust for cafeteria operations only.

ACADEMIC ATHLETIC ASSOCIATION

Receipts and disbursements of this student body activity during the fiscal year ended June 30, 1957 were as follows:

Cash Available - July 1, 1956	\$	1 682
Add Receipts		26 782
Admission fees	\$ 24 967	
Programs	1 626	
Other receipts	189	
		<hr/>
Total Available	\$	28 464
Less Expenses in connection with activities		19 279
		<hr/>
Balance	\$	9 185
Less Profits paid to schools		7 097
		<hr/>
Balance June 30, 1957 - In Trust	\$	<u>2 088</u>

STUDENT BODY FUNDS

The student body funds and the accounting records of the funds are maintained at the schools and are subject to internal audit at regular intervals by the administrative office. We reviewed the audit program and working papers of audits made during the fiscal year and believe them to be adequate.

FUND FOR THE ADVANCEMENT OF EDUCATION \$184,962.

The transactions in this Fund during the fiscal year ended June 30, 1957 are summarized, as follows:

Cash on deposit with Treasurer July 1, 1956	\$	273 127
Deduct Outstanding Warrants		2 027
		<hr/>
Cash Available at July 1, 1956	\$	271 100
Deduct Expenditures		86 138
Fellowship payments (sustenance)	\$	52 246
Consultant's fees	10 245	
San Francisco State College	23 611	
Student fees	\$ 4 466	
Supervisors' salary and expenses	18 171	
Clerical costs	<u>974</u>	
		<hr/>
Technical publications		36
		<hr/>
Cash Available - June 30, 1957	\$	184 962
Treasurer's balance June 30, 1957	\$	192 861
Less Outstanding Warrants		<u>7 899</u>

The trust agreement under which this grant was accepted and this trust fund was created provides that on July 1, 1959, or upon any earlier termination of the agreement or termination of the project for recruitment and training of teachers, any portion of the grant not expended or committed for the recruitment and training of teachers shall be returned to the grantor.

MIRANDA LUX FOUNDATION TRUST FUND \$28,172.

The transactions in this Fund during the fiscal year ended June 30, 1957 are summarized, as follows:

Cash on deposit with Treasurer - July 1, 1956		\$ 25 000
Add second instalment received April 3, 1957		<u>25 000</u>
Total Available		\$ 50 000
Deduct Expenditures		21 828
Supervisor's and teachers' salaries	\$ 7 052	
Laboratory assistant's salaries	1 561	
Supplies and other expenses	11 837	
Equipment purchased	<u>1 378</u>	
Balance Available - June 30, 1957		\$ 28 172
Treasurer's balance - June 30, 1957	28 177	
Less Outstanding Warrants	<u>5</u>	<u><u></u></u>

This fund was established on April 3, 1956 when the School District accepted a grant of \$75,000 to establish a scientific laboratory in a high school. The grant is payable to the School District in instalments of \$25,000 each on April 16, 1956, April 16, 1957 and April 16, 1958. If the agreement is terminated for any reason, any trust monies not expended or legally committed and any valuable pieces of equipment purchased with trust monies are to be returned to the Miranda Lux Foundation.

SCOPE OF THE EXAMINATION

Our examination included such tests of the School District's records and such other auditing procedures as we considered necessary

in the circumstances.

The balances of bonds outstanding, bond interest funds, bond redemption funds and fixed capital properties accounts were taken from the records of the Controller of the City and County of San Francisco. Those funds and accounts were examined by independent certified public accountants engaged to examine the Controller's accounts.


Student Body Funds are maintained at various schools and at the City College. Such funds were the subject of internal audit, at regular intervals, under the direction of the School District's administrative office. We examined the audit program and the working papers of audits made by the administrative office for the fiscal year ended June 30, 1957 and consider the audit reports examined to be adequate.

OPINION

In our opinion, based upon the scope of our examination described above, the accompanying Balance Sheets, Statements of Surplus and Statement of Revenues and Expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1957 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, audit program and the working papers relating to our examination have been made available to Mr. David F. Supple, consultant and statistician for the County Grand Jury.

Very truly yours,


Certified Public Accountant.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT A

COMBINED PROPRIETARY BALANCE SHEET AS OF JUNE 30, 1957

ASSETS		Total	Current Fund	Capital Funds	Special Funds *	Trust Funds **
CASH						
On deposit with Treasurer		\$ 10 518 339	\$ 7 310 256	\$ 2 436 910	\$459 503	\$311 670
Cash transfers outstanding		409 188				409 188
Revolving Funds		5 500	3 000		2 500	
Other - Hume Foundation		161				161
Total Cash		\$ 10 933 188	\$ 7 313 256	\$ 2 436 910	\$462 003	\$721 019
ACCOUNTS RECEIVABLE						
Delinquent taxes and penalties		\$ 763 497	\$ 760 087		\$ 3 410	
Less Reserve for unsecured property taxes		483 297	481 788		1 509	
Balance - Secured taxes and penalties		\$ 280 200	\$ 278 299		\$ 1 901	
Other accounts and subventions (contra)		790 899	736 999		53 900	
Accounts Receivable - net		\$ 1 071 099	\$ 1 015 298		\$ 55 801	
INTER-FUND ACCOUNTS		\$ 1 773	\$ 1 773			
INVENTORIES AND DEFERRED CHARGES						
Stores - at cost		\$ 739 751	\$ 739 751	\$	\$	
Shop Inventory - at cost		33 059	33 059			
Unexpired Insurance		1 321	1 321			
Other supplies and expenses		26 570	25 187		1 383	
Bond interest accrued		226 283			226 283	
Uncompleted contracts and purchase orders						
Total Inventories and Deferred Charges (contra)		4 750 878	2 670 625	2 063 383	4 252	12 618
FIXED CAPITAL PROPERTIES (SEE NOTE 1)		\$ 5 777 862	\$ 3 469 943	\$ 2 063 383	\$231 918	\$ 12 618
TOTAL ASSETS		\$110 242 898	\$110 242 898			
		\$128 026 820	\$11 800 270	\$114 743 191	\$749 722	\$733 637

* Details of the various funds are shown on Schedule 1.

** Details of the various funds are shown on Schedule 2.

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT A

COMBINED PROPRIETARY BALANCE SHEET AS OF JUNE 30, 1957

LIABILITIES AND SURPLUS							
BOND INTEREST PAYABLE AND ACCRUED (SEE NOTE 1)					Total	Current Fund	Capital Funds
					\$ 229 699	\$	\$ 229 699
ACCOUNTS PAYABLE AND COMMITMENTS							Special Funds *
Warrants and pay roll deductions outstanding	\$ 2 811 823	\$ 2 518 474	\$	96 723	\$150 713	\$ 45 915	Trust Funds
Accounts Payable - materials and services	421 592	410 381			11 211	450 455	
Accounts Payable - Trust Funds	450 455						
Uncompleted contracts and purchase orders (contra)	4 750 878	2 670 625	2 063 383	4 252	12 618		
Total Accounts Payable and Commitments	\$ 8 434 748	\$ 5 599 480	\$ 2 160 106	\$166 176	\$508 988		
INTER-AGENCY ACCOUNTS							
Department of Public Works	\$ 224 804	\$ 222 567	\$	2 237			
Employees' Retirement System	1 083 670	1 083 175		495			
Other Agencies	127 966	67 966	60 000				
Total Inter-agency Accounts	\$ 1 436 440	\$ 1 373 708	\$ 60 000	\$ 2 732			
INTER-FUND ACCOUNTS					\$ 1 773	\$	266 \$ 1 507
DEFERRED CREDITS							
Accounts Receivable	\$ 790 899	\$ 736 999	\$	53 900			
Provision for sick leave and vacations earned	67 042			67 042			
Other	28 537	28 524		13			
Total Deferred Credits	\$ 886 478	\$ 765 523	\$120 955				
BONDED DEBT	\$ 41 471 000	\$ 41 458 000	\$ 13 000				
SURPLUS - PER EXHIBITS B AND C							
(SEE NOTES 2 AND 3)	\$ 75 566 682	\$ 4 061 559	\$ 71 065 085	\$216 894	\$223 144		
TOTAL LIABILITIES AND SURPLUS	\$128 026 820	\$11 800 270	\$114 743 191	\$749 722	\$733 637		

* Details of the various funds are shown on Schedule 1.

** Details of the various funds are shown on Schedule 2.

The notes to the financial statements, in Exhibit C, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT B

STATEMENT OF SURPLUS - CURRENT FUND

For the fiscal year ended June 30, 1957

BALANCE - JULY 1, 1956 - PER REPORT DATED OCTOBER 19, 1956	\$ 4 111 395
DEDUCT EXCESS OF EXPENDITURES OVER REVENUE FOR THE FISCAL YEAR ENDED JUNE 30, 1957 - PER EXHIBIT D	<u>49 836</u>
BALANCE - JUNE 30, 1957 - TO EXHIBIT A (SEE NOTE 2)	<u>\$ 4 061 559</u>

EXHIBIT C

STATEMENT OF SURPLUS - CAPITAL FUNDS

For the fiscal year ended June 30, 1957

BALANCE - JULY 1, 1956 - PER REPORT DATED OCTOBER 19, 1956	\$ 67 341 648
Add net adjustment to land and buildings per Real Estate Department valuation dated January 1, 1955	<u>203 580</u>
Total	\$ 67 545 228
Deduct excess of assigned cost over proceeds received from sale of property during the fiscal year ended June 30, 1956	<u>38 956</u>
ADJUSTED SURPLUS - JULY 1, 1956	\$ 67 506 272
Add capital expenditures from non-capital funds, per San Francisco Unified School District records	942 741
Current Fund - per Schedule 4	\$ 927 264
Child Care Centers Fund	<u>15 477</u>
Add contributions by taxpayers to pay bonded debt matured during the fiscal year	2 679 000
Add Other adjustments	<u>818</u>
Total	\$ 71 128 831
Deduct cost, or assigned values, of properties sold or retired (see Note 1)	<u>63 746</u>
BALANCE - JUNE 30, 1957 - TO EXHIBIT A	<u>\$ 71 065 085</u>

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT E

FUNDS BALANCE SHEET AS OF JUNE 30, 1957

(As shown by the accounts of the Controller)

ASSETS

	Total	Cash Available	Accounts Receivable	Construction Grant Receivable	Inter-fund Accts.	Unsold Bonds	Real Estate
CURRENT FUNDS	\$ 6 139 118	\$ 4 791 781	\$ 845 351	\$ 500 213	\$ 1 773	\$	\$
CAPITAL FUNDS							
Real property	\$ 184 590	\$ 184 590					
1948 School Bond	2 096 347	2 096 347					
1956 School Bond	27 059 250	59 250				27 000 000	
Total Capital Funds	\$ 29 340 187	\$ 2 340 187				\$ 27 000 000	
OTHER FUNDS							
Withholding Tax	\$ 418 551	\$ 418 551					\$
Child Care Center	86 295	77 969	8 326				
Cafeteria	263 389	214 405	48 984				
Teachers' Annuity	14 575	14 575					
Teachers' Permanent	17 330	17 330					
Fund for Advancement of Education	184 962	184 962					
Miranda Lux Foundation	28 172	28 172					
Anna Steinberg	1 150	1 150					
Will C. Steinbrunn (see Note 6)	15 176	10 176					5 000
Veterans' Education	30	30					
Total Other Funds	\$ 1 029 630	\$ 967 320	\$ 57 310				\$ 5 000
TOTAL ASSETS	\$ 36 508 935	\$ 8 099 288	\$ 902 661	\$ 500 213	\$ 1 773	\$ 27 000 000	\$ 5 000

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT E

FUNDS BALANCE SHEET AS OF JUNE 30, 1957

(As shown by the accounts of the Controller)

LIABILITIES

	Total	Encum- brances	Inter- agency Accounts	Inter- Reserve fund for Taxes Accts. and Pen.*	Fund Balances		Trust and Agency Balances
					Appropriated but Unencumbered	Unappropri- ated	
CURRENT FUNDS	\$ 6 139 118	\$ 3 199 900	\$ 1 143 385	\$ 481 788	\$ 131 074	\$ 1 182 971	
CAPITAL FUNDS							
Real Property	\$ 184 590	\$			\$ 60 464	\$ 124 126	
1948 School Bond	2 096 347	1 521 084	34 126		496 902	44 235	
1956 School Bond	27 059 250	395 074	67 735		25 386 441	1 210 000	
Total Capital Funds	\$ 29 340 187	\$ 1 916 158	\$ 101 861		\$ 25 943 807	\$ 1 378 361	
OTHER FUNDS							
Withholding Tax	\$ 418 551	\$		\$ 229	\$ 5 013	\$ 61 349	\$ 418 551
Child Care Centers	86 295	17 780	415	1 509	5 000	258 352	
Cafeteria	263 389			37			
Teachers' Annuity	14 575						14 575
Teachers' Permanent	17 330						17 330
Fund for Advancement of Education	184 962	8 943					176 019
Miranda Lux Found.	28 172	3 540		1 507			23 125
Anna Steinberg	1 150	135					1 015
Will C. Steinbrunn	15 176						15 176
Veterans' Education	30						30
Total Other Funds	\$ 1 029 630	\$ 30 398	\$ 415	\$ 1 773	\$ 10 013	\$ 319 701	\$ 665 821
TOTAL LIABILITIES	\$ 36 508 935	\$ 5 146 456	\$ 1 215 661	\$ 1 773	\$ 483 297	\$ 2 881 033	\$ 665 821

* Reserve for Delinquent Taxes and Penalties.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
EXHIBIT F

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET AS OF JUNE 30, 1957

ASSETS ASSETS

	Total	Cash	Accounts Receivable	Inter-fund Accounts	Unsold Bonds	Inventories and Deferred Charges	Investments	Fixed Capital Properties
PROPRIETARY BALANCE SHEET - EXHIBIT A	\$128 026 820	\$10 933 188	\$1 071 099	\$ 1 773	\$	\$ 5 777 862	\$	\$110 242 898
ADD								
Investments (see Note 6)	\$ 5 000		\$		\$ 27 000 000		\$ 5 000	
Unsold 1956 School Bonds	27 000 000							
Reserve for unsecured property taxes	483 297		483 297					
Total Additions	\$ 27 488 297		\$ 483 297		\$ 27 000 000		\$ 5 000	
DEDUCT								
Fixed capital properties	\$110 242 898	\$	\$					\$110 242 898
Warrants and pay roll deductions outstanding	2 811 823	2 811 823						
Revolving funds	5 500	5 500						
Hume Foundation Trust Fund	161	161						
Bond interest and redemption funds	16 416	16 416						
Accounts receivable - Tuition from other counties and districts not billed	147 483		147 483					
Disputed salary payments of prior years, recoverable at termination of employment	4 039		4 039					
Inventories and deferred charges	5 777 862					5 777 862		
Total Deductions	\$119 006 182	\$ 2 833 900	\$ 151 522			\$ 5 777 862		\$110 242 898
FUNDS BALANCE SHEET - EXHIBIT E	\$ 36 508 935	\$ 8 099 288	\$1 402 874	\$ 1 773	\$ 27 000 000	\$	\$ 5 000	

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO

EXHIBIT F

RECONCILIATION OF PROPRIETARY BALANCE SHEET

LIABILITIES

	<u>Total</u>	<u>Bond Payable and Interest Accrued</u>
PROPRIETARY BALANCE SHEET - EXHIBIT A	\$ 128 026 820	\$ 229 699
ADD		
Investments (see Note 6)	\$ 5 000	
Unsold 1956 School Bonds	27 000 000	
Reserve for unsecured property taxes	483 297	
Total Additions	\$ 27 488 297	

DEDUCT		
Bonded debt and surplus invested in fixed capital properties	\$ 110 242 898	\$
Warrants and pay roll deductions outstanding	2 811 823	
Accounts payable - Trust Funds		
Revolving funds	5 500	
Bonds matured - unpaid	13 000	
Bond interest matured - unpaid	3 416	3 416
Bond interest accrued - not due		226 283
Hume Foundation Trust Fund	161	
Accounts receivable deferred credits - 1956-57 recorded in Controller's records	151 522	
Items credited to income by Controller		
Other deferred credits not deferred by Controller		
Inventories and deferred charges		
Excess of accounts payable and encumbrances shown by School District records over these obligations as shown by the Controller's records	5 777 862	
Total Deductions	\$ 119 006 182	\$ 229 699
FUNDS BALANCE SHEET - EXHIBIT E	\$ 36 508 935	N11

UNITED SCHOOL DISTRICT

EXHIBIT F

WITH FUNDS BALANCE SHEET AS OF JUNE 30, 1957

AND SURPLUS

	<u>Accounts Payable and Encumbrance</u>	<u>Inter-agency Accounts</u>	<u>Inter- fund Accounts</u>	<u>Deferred Credits</u>	<u>Bonded Debt</u>	<u>Balance of Funds</u>
	\$ 8 424 748	\$ 1 436 440	\$ 1 773	\$ 886 478	\$ 41 471 000	\$ 75 566 682
			\$			\$ 5 000
			483 297			27 000 000
			\$ 483 297			\$ 27 005 000
	\$ 2 811 823				\$ 41 458 000	\$ 68 784 898
	450 455					(450 455)
					13 000	5 500
						(226 283)
				151 522		161
				639 377		(639 377)
				95 579		(95 579)
						5 777 862
	26 014	150 779				(216 792)
	\$ 3 288 292	\$ 100 779		\$ 886 478	\$ 41 471 000	\$ 72 939 934
	\$ 5 146 456	\$ 1 245 061	\$ 1 773	\$ 483 297	N11	\$ 29 631 748
						Unnumbered appropriations \$ 26 084 894
						Unappropriated balances 2 881 033
						Trust Funds 665 821
						Total \$ 29 631 748

Note - Items in () denote decreases.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT G

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 1957

- 1- Fixed capital properties, bonded debt and bond interest payable and accrued are not recorded in the ledger of the San Francisco Unified School District, but have been added in this report, based upon the amounts shown in the records of the Controller.

Bonded debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the San Francisco Unified School District. They are shown in the Proprietary Balance Sheet, Exhibit A, because the proceeds of the bonds were used to acquire School District properties.

The amounts shown for fixed capital properties do not represent the value of properties and equipment presently owned by the San Francisco Unified School District, as the amounts shown include certain properties at cost and certain properties at appraised value when acquired.

- 2- The Surplus of the Current Fund at June 30, 1957 comprised:

Appropriations to be carried forward into the next fiscal year		\$ 2 359 610
Expenditures committed	\$ 2 353 624	
Expenditures not yet committed - appropriation for Silver and Thomas Avenues Elementary School	5 446	
John A. Lenahan Scholarship Fund	452	
Other	<u>88</u>	
Unappropriated		1 701 949
Available only for capital outlay purposes	121 738	
Balance - July 1, 1956	\$ 407 255	
Sales of land and buildings	<u>84 594</u>	
Total	\$ 491 849	
Less appropriation for Silver and Thomas Avenues Elementary School	<u>370 111</u>	
Available for general purposes	<u>1 580 211</u>	
Surplus of the Current Fund - June 30, 1957		<u><u>\$ 4 061 559</u></u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT G

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 1957 - Continued

- 3- At June 30, 1957 the contingent liability for personal injury claims was estimated by the legal advisor to the Board of Education to be not in excess of \$100,000.00.
At June 30, 1957 the contingent liability for workmen's compensation claims pending was estimated by the Retirement Board of the City and County of San Francisco to be approximately \$110,000.00.
- 4- Revenue, other than from secured taxes, is recorded only when monies are received by, or for the credit of, the School District. This practice is consistent with that of the preceding fiscal years.
- 5- The Board of Education, on March 26, 1957, accepted a grant of \$452.13 from the Trustees of the John A. Lenahan Scholarship Fund to be used for the purchase of a business machine. This grant is in the nature of a trust, but it has been carried as a part of the Current Fund for accounting purposes. This grant was not expended during the fiscal year and is included in the appropriations carried forward at July 1, 1957.
- 6- Will C. Steinbrunn Bequest represents cash and the appraised value of a parcel of real estate, acquired in 1948 as shown on the records of the Controller. The appraised value of the real estate, \$5,000.00, is not shown on the ledger of the School Department.

SAN FRANCISCO UNITED SCHOOL DISTRICT

SCHEDULE 1

PROPRIETARY BALANCE SHEETS AS OF JUNE 30, 1957

SPECIAL FUNDS

ASSETS	Child Care		School		Bond Interest and Redemption Note 1
	<u>Totals</u>	<u>Centers</u>	<u>Cafeterias</u>	<u>1923</u>	<u>1948</u>
CASH					
On deposit with Treasurer	\$ 459 503	\$ 149 693	\$ 293 394	\$ 3 925	\$ 12 491
Revolving funds	2 500		2 500		
Total Cash	\$ 462 003	\$ 149 693	\$ 295 894	\$ 3 925	\$ 12 491
ACCOUNTS RECEIVABLE					
Delinquent taxes and penalties	\$ 3 410	\$ 3 410			
Less Reserve for unsecured property taxes	1 509	1 509			
Balance - Secured taxes and penalties	\$ 1 901	\$ 1 901			
Other accounts and subventions (contra)	53 900	4 916	48 984		
Accounts Receivable - net	\$ 55 801	\$ 6 817	\$ 48 984		
DEFERRED CHARGES					
Other supplies and expenses	\$ 1 383	\$	\$ 1 383	\$	\$
Bond interest accrued	226 283			50 000	176 283
Uncompleted contracts and purchase orders (contra)	4 252	4 252			
Total Deferred Charges	\$ 231 918	\$ 4 252	\$ 1 383	\$ 50 000	\$ 176 283
TOTAL ASSETS	\$ 749 722	\$ 160 762	\$ 346 261	\$ 53 925	\$ 188 774

The notes to the Financial Statements, in Exhibit C, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 1

PROPRIETARY BALANCE SHEETS AS OF JUNE 30, 1957

SPECIAL FUNDS

	Child Care Centers		School Cafeterias		Bond Interest and Redemption Note 1
	Totals				1923 1948
BOND INTEREST PAYABLE AND ACCRUED	\$ 229 699	\$	\$	\$ 50 925	\$ 178 774
ACCOUNTS PAYABLE AND ACCRUED					
Warrants and pay roll deductions outstanding	\$ 150 713	\$ 71 724	\$ 78 989		
Accounts Payable - materials and services	11 211	11 211			
Uncompleted Contracts and purchase orders (contra)	4 252	4 252			
Total Accounts Payable and Commitments	\$ 166 176	\$ 87 187	\$ 78 989		
INTER-AGENCY ACCOUNTS					
Department of Public Works	\$ 2 237	\$ 2 237			
Employees' Retirement System	495	495			
Total Inter-agency Accounts	\$ 2 732	\$ 2 732			
SAN FRANCISCO UNIFIED SCHOOL DISTRICT - CURRENT FUND	\$ 266	\$ 229	\$ 37		
DEFERRED CREDITS					
Accounts receivable (contra)	\$ 53 900	\$ 4 916	\$ 48 984		
Provision for sick leave and vacations earned	67 042		67 042		
Other	13	13			
Total Deferred Credits	\$ 120 955	\$ 4 929	\$ 116 026		
BONDED DEBT	\$ 13 000	\$	\$ 3 000	\$ 10 000	
SURPLUS	\$ 216 894	\$ 65 685	\$ 151 209		
TOTAL LIABILITIES AND SURPLUS	\$ 749 722	\$ 160 762	\$ 346 261	\$ 53 925	\$ 188 774

The notes to the Financial Statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO
SCHEDULE 2
PROPRIETARY BALANCE SHEETS

TRUST

	Cash With Treasurer	Other Cash Items In Transit
Withholding Tax	\$ 38 854	\$ 379 697
Teachers' Annuity	19 872	12 162
Teachers' Retirement	18 213	17 329
Teachers' Sabbatical Leave	2 302	
Fund for Advancement of Education	192 861	
Miranda Lux Foundation	28 177	
Anna Steinberg Trust	1 150	
Will C. Steinbrunn Bequest	10 176	
Veterans' Education	65	
Hume Foundation		161
TOTALS	\$ 311 670	\$ 409 349

UNIFIED SCHOOL DISTRICT
SCHEDULE 2
AS OF JUNE 30, 1957

FUNDS

	Uncompleted Contracts	Total Assets	Warrants Payable	Accounts Payable	Commit- ments	Total Liabilities	Unexpended Balances
	\$	\$418 551	\$	\$418 551	\$	\$	\$
		32 034	17 459	14 575		418 551	
		35 542	18 213	17 329		32 034	
		2 302	2 302			32 542	
		8 943	7 892	*	8 943	2 302	
		3 540	3 540	1 507	3 540	16 842	184 962
		135	135		135	5 032	26 665
							1 150
							10 176
							30
							161
TOTALS	\$ 12 618	\$733 637	\$ 45 913	\$451 962	\$12 618	\$ 510 493	\$223 144

* Due School District Current Fund.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 3

COMPARATIVE STATEMENT OF REVENUE

For the fiscal years ended June 30, 1957 and June 30, 1956

	Fiscal years ended		Increase
	June 30, 1957	June 30, 1956	(Decrease)
PROPERTY TAXES AND PENALTIES	\$25 512 989	\$22 033 650	\$3 479 339
APPORTIONMENTS FROM STATE OF CALIFORNIA (see Note 4)			
Elementary Schools	\$ 7 781 559	\$ 7 619 193	\$ 162 366
High Schools and City College	3 999 730	3 858 712	141 018
Retirement Subventions	1 018 652	993 476	25 176
Total Apportionments	\$12 799 941	\$12 471 381	\$ 328 560
OTHER REVENUE (see Note 4)			
San Francisco Housing Authority - in lieu of taxes	\$ 32 867	\$ 35 701	\$ (2 834)
Federal and State vocational education subvention	61 812	59 581	2 231
Reimbursement for veterans' vocational training	65 801	81 645	(15 844)
Tuition from other counties and districts	184 626	237 417	(52 791)
Rentals	355 847	356 781	(934)
Public Law 874 and other Federal aid	394 258	405 895	(11 637)
Federal construction grant	625 265	Nil	625 265
Miscellaneous	82 713	95 321	(12 603)
Total Other Revenue	\$ 1 803 189	\$ 1 272 341	\$ 530 848
TOTAL DIRECT REVENUES	\$40 116 119	\$35 777 372	\$4 338 747
John A. Lenahan Scholarship (see Note 5)	452		452
ROSENBERG FOUNDATION GRANT - TELEVISION PROJECT		3 500	(3 500)
AUXILIARY (INDIRECT) REVENUE - Services of physicians, dentists and nurses of the Department of Public Health	533 640	514 862	18 778
TOTAL REVENUES - TO EXHIBIT D	\$40 650 211	\$36 295 734	\$4 354 477

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1957 and June 30, 1956

	Fiscal years ended		Increase	
	June 30, 1957	June 30, 1956	(Decrease)	
ADMINISTRATION				
Salaries	\$ 816 522	\$ 775 011	\$ 41 511	
Supplies	59 716	46 470	13 246	
Traveling Expenses	15 332	14 246	1 086	
Other Expenses	129 874	197 630	(67 756)	
Totals	\$ 1 021 444	\$ 1 033 357	\$ (11 913)	
INSTRUCTION - SALARIES				
Supervision	\$ 476 211	\$ 447 783	\$ 28 428	
Elementary Schools	11 206 312	10 111 660	1 094 652	
Special Schools	595 441	556 898	38 543	
Junior High Schools	5 099 261	4 613 316	485 945	
Senior High Schools	4 560 169	4 325 459	234 710	
Adult Schools	927 790	859 430	68 360	
Trade and Industrial Schools	425 556	397 973	27 583	
Continuation School	183 258	172 141	11 117	
City College	2 135 267	1 945 333	189 934	
Totals	\$25 609 265	\$23 429 993	\$2 179 272	
INSTRUCTION - SUPPLIES AND OTHER EXPENSES				
Educational Supplies	\$ 718 426	\$ 694 254	\$ 24 172	
Books	271 352	274 002	(2 650)	
Traveling Expenses	25 189	24 961	228	
Other Expenses	236 426	246 467	(10 041)	
Totals	\$ 1 251 393	\$ 1 239 684	\$ 11 709	
AUXILIARY SERVICES				
Compulsory Education	\$ 188 092	\$ 174 313	\$ 13 779	
Guidance Service Centers	107 280	99 572	7 708	
Student Placement Service	25 099	24 302	797	
Nurse Service	11 280	10 680	600	
Health Classes and Other Expenses	25 585	23 383	2 202	
Totals	\$ 357 336	\$ 332 250	\$ 25 086	
Totals Forward				
	\$28 239 438	\$26 035 284	\$2 204 154	

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4 - Continued

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1957 and June 30, 1956

	<u>Fiscal year ended</u>		<u>Increase</u>
	<u>June 30, 1957</u>	<u>June 30, 1956</u>	<u>(Decrease)</u>
Totals Forward	\$28 239 438	\$26 035 284	\$2 204 154
OPERATION			
Janitors, Engineers and Gardeners -			
Salaries	\$ 2 222 879	\$ 2 077 551	\$ 145 328
Supplies	124 808	129 276	(4 468)
Gas and Electricity	379 937	379 073	864
Fuel	56 337	50 374	5 963
Water	59 463	58 098	1 365
Other Expenses	285 345	286 759	(1 414)
Totals	\$ 3 128 769	\$ 2 981 131	\$ 147 638
MAINTENANCE			
Repairs -			
Buildings and Grounds	\$ 1 629 201	\$ 1 379 332	\$ 249 869
Janitors' Equipment	8 432	9 277	(845)
Educational Equipment	294 313	288 152	6 161
Other Expenses	37 773	29 707	8 066
Totals	\$ 1 969 719	\$ 1 706 468	\$ 263 251
FIXED CHARGES			
Rents	\$ 3 494	\$ 9 847	\$ (1 353)
Insurance	39 392	34 631	4 761
Compensation and Accident Claims	42 299	41 365	934
Contributions to Retirement Systems -			
City	4 203 001	3 819 848	383 153
State	790 857	45 960	744 897
Other Expenses	7 304	(4 457)	11 761
Totals	\$ 5 091 347	\$ 3 947 194	\$ 1 144 153
TRANSPORTATION OF PUPILS	\$ 303 353	\$ 305 795	\$ (2 442)
FOOD SERVICE			
Cafeteria Supervision	\$ 72 896	\$ 69 106	\$ 3 790
Cafeteria Maintenance	44 905	31 034	13 871
Free Meals	34 640	27 268	7 372
Other Expenses	17 871	17 411	460
Totals	\$ 170 312	\$ 144 819	\$ 25 493
Totals Forward	\$38 902 938	\$35 120 691	\$3 782 247

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4 - Continued

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1957 and June 30, 1956

	Fiscal year ended		Increase
	June 30, 1957	June 30, 1956	(Decrease)
Totals Forward	\$38 902 938	\$35 120 691	\$3 782 247
COMMUNITY SERVICES			
Recreation Program	\$ 185 594	\$ 169 604	\$ 15 990
Veterans' Counseling	36 400	52 330	(15 930)
Civic Center Activities	56 517	56 371	146
Totals	\$ 278 511	\$ 278 305	\$ 206
TUITION PAID TO OTHER DISTRICTS	\$ 57 537	\$ 39 319	\$ 18 218
TOTAL DIRECT EXPENDITURES	\$39 238 986	\$35 438 315	\$3 800 671
AUXILIARY (INDIRECT) SERVICES			
CONTRIBUTED BY DEPARTMENT OF			
PUBLIC HEALTH			
Medical Inspection	\$ 85 076	\$ 82 477	\$ 2 599
Dental Inspection	61 436	62 564	(1 128)
Nurse Service	387 128	369 821	17 307
Totals	\$ 533 640	\$ 514 862	\$ 18 778
ROSENBERG TELEVISION PROJECT	\$ 157	\$ 3 343	\$ (3 186)
TOTAL OPERATING EXPENDITURES -			
TO EXHIBIT D	\$39 772 783	\$35 956 520	\$3 816 263
CAPITAL OUTLAYS FROM CURRENT FUND			
Land	\$ 25 453	\$ 3 800	\$ 21 653
Buildings and Improvements	499 179	603 669	(104 490)
Equipment	487 226	489 957	(2 731)
Totals	\$ 1 011 858	\$ 1 097 426	\$ (85 568)
Less Sales of Land and Buildings	84 594	Nil	(84 594)
NET CAPITAL OUTLAY FROM CURRENT FUND -			
TO EXHIBIT D	\$ 927 264	\$ 1 097 426	\$ (170 162)

Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1957

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

September 18, 1957

Mr. Harry D. Ross
Controller
City and County of San Francisco

OFFICE OF THE TREASURER
Examination of Accounts
Fiscal Year ended June 30, 1957

Dear Sir:

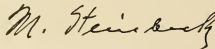
Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records. Mr. Ralph Sheehan, acting for Mr. David F. Supple, Grand Jury Statistician, participated.

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying report with schedules attached presents fairly the financial position of the Treasurer at June 30, 1957, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION



MARTIN STEINBECK
SUPERVISING ACCOUNTANT

APPROVED:



HARRY D. ROSS
CONTROLLER

REPORT ON EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1957, amounted to \$429,313,610.28 compared with June 30, 1956 total of \$381,504,755.43.

<u>Cash and Securities</u>	<u>June 30, 1957</u>	<u>June 30, 1956</u>
Cash and cash items	\$101,214,888.28	\$ 88,168,291.43
Securities (Par Value)	<u>328,098,722.00</u>	<u>293,336,464.00</u>
Total (Exhibit "A")	<u>\$429,313,610.28</u>	<u>\$381,504,755.43</u>

CASH AND CASH ITEMS \$101,214,888.28

Cash and cash items (Exhibit "A"), are summarized as follows:

<u>Cash and Cash Items</u>	<u>June 30, 1957</u>	<u>June 30, 1956</u>
Cash and cash items on hand	\$ 2,664,998.49	\$ 1,617,766.82
Cash in banks	97,850,150.94	85,771,838.38
United States Bonds (Par Value)	<u>68,750.00</u>	<u>55,250.00</u>
Total	\$100,583,899.43	\$ 87,444,855.20
Cash items received after June 30, 1957 and applied to the fiscal year 1956-57	<u>630,988.85</u>	<u>723,426.23</u>
Total	<u>\$101,214,888.28</u>	<u>\$ 88,168,291.43</u>

The above \$101,214,888.28 was reconciled with the Controller's available cash of \$97,775,482.90; the difference of \$13,439,405.38 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

<u>Outstanding Items</u>	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants outstanding	\$11,399,058.14	\$1,935,898.49	\$13,334,956.63
Matured and unpaid bonds	25,000.00	24,200.00	49,200.00
Matured and unpaid coupons	<u>8,881.25</u>	<u>46,367.50</u>	<u>55,248.75</u>
Total	<u>\$11,432,939.39</u>	<u>\$2,006,465.99</u>	<u>\$13,439,405.38</u>

CASH AND CASH ITEMS ON HAND

The sum of \$2,664,998.49 consists of:

<u>Item</u>	<u>Amount</u>	<u>Comments</u>
Coin and currency	\$ 832,302.04	Verified by count.
Checks on hand for deposit	1,832,426.35)	All current; deposited in bank
Health Service System's	)	July 1, 1957.
Deposit	<u>270.10</u>)	
Total	<u>\$2,664,998.49</u>	

CASH IN BANKS \$97,850,150.94

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

Bank	Amount of Deposit			Per Cent
	Inactive	Active	Total	
American Trust Co.	\$ 4,000,000.00	\$ 3,475,613.13	\$ 7,475,613.13	7.64%
Bank of America	26,050,000.00	14,354,041.33	40,404,041.33	41.29%
Bank of California	4,250,000.00	3,670,279.87	7,920,279.87	8.09%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	1.02%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	1.02%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.51%
Crocker-Anglo Bank	10,875,000.00	6,170,272.44	17,045,272.44	17.42%
Canadian Bank of Comm.	650,000.00	650,000.00	1,300,000.00	1.33%
First Western Bank	3,500,000.00	3,116,503.95	6,616,503.95	6.76%
Hongkong & Shanghai Bank	250,000.00	250,000.00	500,000.00	.51%
Hibernia Bank	250,000.00	250,000.00	500,000.00	.51%
Pacific National Bank	1,750,000.00	1,000,000.00	2,750,000.00	2.81%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.51%
Wells Fargo Bank	6,000,000.00	4,338,440.22	10,338,440.22	10.58%
Total	<u>\$59,075,000.00</u>	<u>\$38,775,150.94</u>	<u>\$97,850,150.94</u>	<u>100.00%</u>
Percentage of Total	60.37%	39.63%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 53643:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

Supervisor's Resolution No. 3469, adopted August 16, 1937, authorized the Treasurer to enter into the necessary agreements with the banks, as required by law, for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

The amounts on deposit in banks June 30, 1957, (Exhibit "A-1") are within the limitations specified in Government Code Section 53638:

"The deposit shall not exceed the total of the paid-up capital and surplus, of any depository."

Interest totaling \$763,679.74 was earned on inactive deposit balances during the fiscal year.

UNITED STATES BONDS (Par Value) \$68,750.00

United States Bonds representing Superior and Municipal Court bail deposits, include \$14,100.00 for which court orders for release or forfeitures were issued.

CASH RECEIVED AFTER JUNE 30, 1957 \$630,988.85

This item represents 1956-1957 collections which were deposited with the Treasurer in July 1957:

<u>Date Deposited</u>	<u>Amount</u>
July 1, 1957	\$509,910.04
July 2, 1957	55,918.01
July 3, 1957	63,216.41
July 5, 1957	<u>1,944.39</u>
Total	<u>\$630,988.85</u>

SECURITIES (PAR VALUE) \$328,098,722.00

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

<u>SECURITIES CHARGED TO THE TREASURER</u>	<u>Par Value</u>	<u>Controller's Book Value</u>
BONDS:		
Employees' Retirement Fund	\$193,390,500.00	\$192,951,511.78
Bequest Funds	486,500.00	486,867.26
Trust Funds	15,000.00	15,583.00
Deposits on Leases	109,000.00	109,000.00
Miscellaneous	<u>1,475.00</u>	<u>1,475.00</u>
	<u>\$194,002,475.00</u>	<u>\$193,568,441.04</u>
MISCELLANEOUS:		
Corporate Stock (Bequest Funds)	\$ 247.00	\$ 2,094.25
Certified Checks (Deposits)	<u>18,000.00</u>	<u>18,000.00</u>
	<u>\$ 18,247.00</u>	<u>\$ 20,094.25</u>
<u>SECURITIES NOT CHARGED TO THE TREASURER</u>		
		<u>Market Value</u>
Collateral Securities	<u>\$134,078,000.00</u>	<u>\$125,107,150.10</u>
Total, June 30, 1957	<u>\$328,098,722.00</u>	<u>\$318,693,661.39</u>

BONDS (PAR VALUE) - EMPLOYEES' RETIREMENT FUND \$193,390,500.00

Verification and physical count of bonds was made in conjunction with representatives of Farquhar & Heimbucher, Certified Public Accountants, in connection with audit of the Employees' Retirement System.

Pursuant to Controller's instructions, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1956-1957 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board.

Transactions during the year under review are summarized as follows:

Balance, June 30, 1956	\$176,804,250.00
Purchased	<u>18,043,000.00</u>
Total	\$194,847,250.00
Sold, called or matured	<u>1,456,750.00</u>
Balance, June 30, 1957	<u><u>\$193,390,500.00</u></u>

BONDS (PAR VALUE) BEQUEST AND TRUST FUNDS \$501,500.00 (EXHIBIT "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

During the fiscal year under review cash in existing bequest funds was invested in \$209,000 par value U. S. Treasury Certificates. Investment of funds was authorized by the officer, board or commission charged with the control and administration of said bequests and upon approval by the Controller as prescribed by Charter Section 82.

BONDS (PAR VALUE) DEPOSIT ON LEASES \$109,000.00 (EXHIBIT "A-2")

These bonds represent security on various leases of City and County property.

BONDS (PAR VALUE) MISCELLANEOUS \$1,475.00 (EXHIBIT "A-2")

The above represents deposits by various City and County departments for safe-keeping.

CORPORATE STOCK \$247.00 (EXHIBIT "A-2")

Represents par value of stocks belonging to bequest funds.

CERTIFIED CHECKS \$18,000.00

Represents three checks deposited with the Treasurer as security for faithful performance of contractual obligations.

COLLATERAL SECURITIES (PAR VALUE BONDS) \$134,078,000.00 (EXHIBIT "A-1")

The securities consist of Federal, State, or other Government Bonds of a type required by Government Code Section 53651 and approved by the Treasurer and City Attorney, in accordance with Government Code Section 53655.

Government Code Section 53657 provides:

"The market value of securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities."

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1957 were less than face value of collateral deposited; the market value of said collateral exceeded the amount of deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS-UNSOLD (UNISSUED) \$146,850,000

Unsold (Unissued) City and County Bonds at June 30, 1957 represent the remainder of issues authorized by the electorate, as follows:

	Total <u>Authorized</u>	Sold Prior to <u>1956-1957</u>	During <u>1956-1957</u>	Unsold <u>June 30, 1957</u>
<u>Authorized Nov. 4, 1947</u>				
1947 Street Improvement	\$ 22,850,000	\$ 17,150,000	\$ 2,800,000	\$ 2,900,000
1947 Recreation Bond	12,000,000	10,830,000	1,170,000	-C-
1947 Off-Street Parking	- 5,000,000	3,000,000		2,000,000
<u>Authorized June 1, 1948</u>				
1948 Sewage Treatment	15,000,000	14,550,000		450,000
<u>Authorized Nov. 2, 1948</u>				
1948 Schools	48,890,000	47,900,000	990,000	-0-
<u>Authorized Nov. 4, 1952</u>				
1952 Fire House	4,750,000	2,800,000	1,400,000	550,000
<u>Authorized June 8, 1954</u>				
1954 Sewer	12,645,000	2,500,000		10,145,000
<u>Authorized Nov. 2, 1954</u>				
1954 Laguna Honda Home and Hospital	5,475,000	2,500,000	2,500,000	475,000
1954 Exhibit Hall	3,275,000		3,275,000	-C-
1954 Recreation Center	5,000,000			5,000,000
1954 S. F. Hospital	5,830,000	1,500,000		4,330,000
<u>Authorized Nov. 8, 1955</u>				
1955 Playground and Recreation Center	7,000,000			7,000,000
1955 Hetch Hetchy Power	54,000,000		10,000,000	44,000,000
<u>Authorized June 5, 1956</u>				
1956 Hall of Justice	19,475,000		1,475,000	18,000,000
<u>Authorized Nov. 6, 1956</u>				
1956 Schools	27,000,000			27,000,000
1956 S. F. International Airport	25,000,000			25,000,000
Total	<u>\$273,190,000</u>	<u>\$102,730,000</u>	<u>\$23,610,000</u>	<u>\$146,850,000</u>

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of bonds when a sale has been made by the Board of Supervisors.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designates the First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purpose of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensations earned during the year ended June 30, 1957, follows:

	Par Value Paid and Cancelled	Compensation Authorized Rate	Earned 1956-1957
Bonds	\$ 8,782,000.00	1/20 of 1%	\$ 4,391.00
Coupons (181009)	<u>2,377.230.00</u>	4¢ each	<u>7,240.36</u>
Total	<u>\$11,159,230.00</u>		<u>\$11,631.36 (1)</u>

(1) Includes \$1,455.92 for last quarter of 1956-1957 which was paid in 1957-1958.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by the Board of Supervisors' Resolutions No. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the fiscal year for City and County employees was \$758,062.50 as compared with \$626,343.75 for the prior fiscal year.

REVENUE AND EXPENDITURES (EXHIBIT "B")

Revenues exceeded expenditures and encumbrances by \$669,917.53. A comparison with the previous fiscal year follows:

	<u>1956-1957</u>	<u>1955-1956</u>
<u>Revenues</u>		
Interest earned on inactive bank deposits	\$763,679.74	\$564,287.04
Commissions received on Inheritance Tax Collections	40,000.00	40,000.00
Other Fees	123.50	119.00
Conscience Money	<u>645.00</u>	<u>177.00</u>
Total	\$804,448.24	\$604,583.04
<u>Expenditures and Encumbrances</u>		
Per Controller's records	<u>134,530.71</u>	<u>124,673.33</u>
Net Revenue	<u>\$669,917.53</u>	<u>\$479,909.71</u>

A five year comparative statement of revenues, expenditures and encumbrances is reflected on Exhibit B.

INTEREST ON INACTIVE BANK DEPOSITS \$763,679.74

In accordance with Government Code Section 53645 and 53649, interest is computed at rates specified in depository agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	1956-1957 Budget Estimate	Interest Earned	
		<u>1956-1957</u>	<u>1955-1956</u>
General, Special Gas Tax and			
Special Road Impr. Funds	\$500,000.00	\$698,014.47	\$518,187.09
Municipal Railway	20,000.00	27,233.25	27,642.60
Water Operating	17,500.00	23,154.60	18,457.35
Redevelopment		<u>15,277.42</u>	
Total	<u>\$537,500.00</u>	<u>\$763,679.74</u>	<u>\$564,287.04</u>

The \$27,233.25 credited to Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$725,247.72 on the basis of the Treasurer's daily balances in that fund.

The credit to Water Operating Fund and the Redevelopment Fund was earned on inactive bank accounts used exclusively for those funds.

COMMISSIONS ON INHERITANCE TAX COLLECTIONS \$40,000.00

Inheritance Tax Commissions and settlements with the State for the 12 months ending May 31, 1957, are summarized as follows:

Inheritance Tax Collections		\$4,564,147.87
Less disbursements:		
Payments to the State	\$4,394,598.31	
Refunds	99,697.30	
Appraiser's Fees	<u>29,852.26</u>	<u>4,524,147.87</u>
Commissions earned fiscal year 1956-1957		<u>\$ 40,000.00</u>

Accounts maintained for Inheritance Tax purposes are recorded on State controlled prenumbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, the maximum commissions a Treasurer of a county of the second class may retain is \$40,000.00 for a calendar year. The Commissions received cover the period from December 1, 1956 to May 31, 1957.

OTHER FEES \$123.50

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "Listing Contents of a Safe Deposit Box" is collected in accordance with Section 14144 and 14346 of the Revenue and Taxation Code.

CONSCIENCE MONEY \$645.00

This represents various remittances received from unidentified sources and classified as "Conscience Money".

EXPENDITURES AND ENCUMBRANCES \$134,530.71

Expenditures and encumbrances, compared with budget appropriations for 1956-1957 are as follows:

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent Salaries	\$116,732.10	\$116,702.10
Allowance for overtime	350.00	165.93
Contractual Services	13,680.00	13,568.60
Use of Employees' cars	360.00	314.30
Material and Supplies	1,597.40	1,483.33
 <u>By Purchaser</u>		
Telephone and Telegrams	200.00	58.01
City Directory	67.60	67.60
Stationery withdrawn from stores	90.00	86.54
Equipment	1,296.00	1,252.34
Reproduction Bureau	900.00	831.96
 Total	<u>\$135,273.10</u>	<u>\$134,530.71</u>

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit "E".

Ed. Note:

Exhibits A-1, A-2 and D reflect detail of transactions presented in summary form in the body of the foregoing report. They have not been reproduced in this publication.

SUMMARY OF CASH AND SECURITIES

	<u>June 30th</u>	
	<u>1957</u>	<u>1956</u>
<u>CASH AND CASH ITEMS</u>		
<u>CASH AND CASH ITEMS ON HAND</u>		
Coin and currency	\$ 832,302.04	\$ 813,334.15
Checks on hand for deposit	1,832,426.35	803,545.27
Due from Clearing House	-	887.40
Health Service System's Deposit	<u>270.10</u>	<u>-</u>
	<u>\$ 2,664,998.49</u>	<u>\$ 1,617,766.82</u>
<u>CASH IN BANKS</u>		
Active Accounts	\$ 38,775,150.94	\$ 37,696,836.38
Inactive Accounts	<u>59,075,000.00</u>	<u>48,075,000.00</u>
	<u>\$ 97,850,150.94</u>	<u>\$ 85,771,836.38</u>
<u>UNITED STATES BONDS (PAR VALUE)</u>		
	<u>\$ 68,750.00</u>	<u>\$ 55,250.00</u>
<u>CASH RECEIVED AFTER JUNE 30, 1957 AND</u>		
<u>APPLIED TO FISCAL YEAR 1956-1957</u>		
	<u>\$ 630,988.85</u>	<u>\$ 723,436.23</u>
Total (Exhibit "C" and "D")	<u>\$101,214,888.28</u>	<u>\$ 88,168,291.43</u>
<u>SECURITIES</u>		
<u>BONDS (PAR VALUE)</u>		
Collateral from Banks (Exhibit "A-1")	\$134,078,000.00	\$116,125,000.00
Employees' Retirement Fund	193,390,500.00	176,504,250.00
Bequest Funds	486,500.00	277,500.00
Trust Funds	15,000.00	15,000.00
Deposits on Leases	109,000.00	109,000.00
Miscellaneous Deposits	<u>1,475.00</u>	<u>1,475.00</u>
	<u>\$328,080,475.00</u>	<u>\$293,332,275.00</u>
<u>OTHER</u>		
Deposit on lease (Corporate Stock)	-	\$ 4,000.00
Bequest Funds (Corporate Stock)	247.00	239.00
Contract Deposits (Certified Checks)	<u>18,000.00</u>	<u>-</u>
	<u>\$ 18,247.00</u>	<u>\$ 4,239.00</u>
Total	<u>\$328,098,722.00</u>	<u>\$293,336,464.00</u>
Total cash and securities	<u>\$429,313,610.28</u>	<u>\$381,504,755.43</u>

TREASURER

EXHIBIT "B"

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

	Fiscal Year Ended June 30th				
	1957	1956	1955	1954	1953
<u>REVENUES</u>					
Interest earned on deposit of public funds	\$763,679.74	\$564,287.04	\$541,647.38	\$615,018.93	\$564,398.07
Commission on Inheritance Tax Collections	40,000.00	40,000.00	37,709.59	31,211.21	31,733.98
Duplicate "Inheritance Tax Receipt" fees, etc.	123.50	119.00	99.00	86.00	111.00
Conscience money	645.00	177.00	831.00	130.00	237.11
Total	\$804,448.24	\$604,583.04	\$580,286.97	\$646,446.14	\$596,480.16
<u>EXPENDITURES AND ENCUMBRANCES</u>					
Permanent salaries	\$116,702.10	\$107,043.00	\$101,425.90	\$96,285.00	\$95,683.52
Allowance for overtime	165.93	243.01	293.24	467.11	755.38
Contractual Service	3,141.51	4,517.98	3,616.67	2,219.87	2,169.07
Fiscal Agent - New York	11,631.36	11,070.90	11,616.92	11,750.00	13,325.60
Materials and Supplies	1,637.47	1,798.44	1,655.14	1,667.21	1,881.12
Equipment	1,252.34	-	536.94	-	465.91
Total	\$134,530.71	\$124,673.33	\$119,144.81	\$112,389.19	\$114,280.00
Net revenues	\$669,917.53	\$479,909.71	\$461,142.16	\$534,056.95	\$482,200.16

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
<u>CASH TRANSACTIONS</u>	<u>1957</u>	<u>1956</u>
<u>CASH BALANCE - BEGINNING OF YEAR</u>	<u>\$ 88,168,291.43</u>	<u>\$ 83,336,033.69</u>
<u>RECEIPTS</u>		
Receipts	\$281,389,779.17	\$250,305,239.34
Journal transfers (Contra)	<u>288,465,171.03</u>	<u>245,116,842.77</u>
Total	<u>\$569,854,950.20</u>	<u>\$495,422,082.11</u>
Total Balance and Receipts	<u>\$658,023,241.63</u>	<u>\$578,758,115.80</u>
 <u>DISBURSEMENTS</u>		
Cash Disbursements	\$268,343,182.32	\$245,472,981.60
Journal transfers (Contra)	<u>288,465,171.03</u>	<u>245,116,842.77</u>
Total	<u>\$556,808,353.35</u>	<u>\$490,589,824.37</u>
 <u>CASH BALANCE - END OF YEAR</u> (EXHIBITS "A" and "D")	 <u><u>\$101,214,888.28</u></u>	 <u><u>\$ 88,168,291.43</u></u>

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year ended June 30th</u>	
<u>CASH TRANSACTIONS</u>	<u>1957</u>	<u>1956</u>
<u>CURRENT FUNDS</u>		
Cash balance - Beginning of year	\$ 56,762,233.75	\$ 49,555,140.68
Cash receipts	207,846,426.25	196,226,197.37
Journal transfers	<u>256,739,642.61</u>	<u>221,508,837.97</u>
Total Available	<u>\$521,348,302.61</u>	<u>\$467,290,176.02</u>
Cash disbursements	\$190,053,051.67	\$176,301,706.24
Journal transfers	<u>272,900,592.00</u>	<u>234,226,236.03</u>
Total Disbursements	<u>\$462,953,643.67</u>	<u>\$410,527,942.27</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 58,394,658.94</u>	<u>\$ 56,762,233.75</u>
<u>CAPITAL FUNDS</u>		
Cash balance - Beginning of Year	\$ 22,892,432.90	\$ 25,188,602.60
Cash receipts	24,299,054.57	14,359,386.70
Journal transfers	<u>12,034,267.59</u>	<u>5,615,748.31</u>
Total Available	<u>\$ 59,225,755.06</u>	<u>\$ 45,163,737.61</u>
Cash disbursements	\$ 13,478,699.89	\$ 12,323,462.63
Journal transfers	<u>13,586,583.26</u>	<u>9,947,842.08</u>
Total Disbursements	<u>\$ 27,065,283.15</u>	<u>\$ 22,271,304.71</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 32,160,471.91</u>	<u>\$ 22,892,432.90</u>
<u>TRUST AND ASSESSMENT FUNDS</u>		
Cash balance - Beginning of Year	\$ 8,513,624.78	\$ 8,592,290.41
Cash receipts	49,244,298.35	39,719,655.27
Journal transfers	<u>19,691,260.83</u>	<u>17,992,256.49</u>
Total Available	<u>\$ 77,449,183.96</u>	<u>\$ 66,304,202.17</u>
Cash disbursements	\$ 64,811,430.76	\$ 56,847,812.73
Journal transfers	<u>1,977,995.77</u>	<u>942,764.66</u>
Total Disbursements	<u>\$ 66,789,426.53</u>	<u>\$ 57,790,577.39</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 10,659,757.43</u>	<u>\$ 8,513,624.78</u>
TOTAL CASH ON HAND (EXHIBIT "A" AND "D")	<u>\$101,214,888.28</u>	<u>\$ 88,168,291.43</u>

SURETY BONDS AND INSURANCESURETY BOND-TREASURER

In accordance with Charter Section 31, John J. Goodwin, Treasurer of the City and County of San Francisco, is bonded for \$200,000.00 by St. Paul Fire and Marine Insurance Company's Bond No. 1791065 in favor of the City and County of San Francisco and/or State of California, for a period of one year commencing January 8, 1957. The bond was recorded December 11, 1956 and is in the custody of the Controller as provided by Charter Section 67.

SURETY BOND OF EMPLOYEES

Pursuant to Ordinance No. 8075 Blanket Bond No. 404 C.B.O. 225 of Saint Paul Fire and Marine Insurance Company, expiring April 10, 1958 covers all employees of the City and County of San Francisco, under Section 6 for Fidelity and under Section 7 up to \$50,000.00 for any one employee or the sum of \$50,000.00 for any one loss. The bond is on file with the Controller.

In addition the bond under Section 14.4 covers the following employments in the Treasurer's Office for faithful performance:

- 2 Cashiers
- 4 Senior Tellers
- 3 Tellers
- 1 Senior Accountant
- 1 Accountant
- 1 Head Clerk
- 3 General Clerks

Positions in the Treasurer's Office not covered under Section 14.4 are:

- 1 Supervisor-Inheritance Tax Division
- 1 General Clerk
- 1 General Clerk Stenographer

It is recommended that the bond be amended to include all employments in the Treasurer's Office under Section 14.4.

FORGERY INSURANCE

Forgery insurance up to \$100,000.00 is provided by Fidelity and Deposit Company of Maryland, Policy No. 26 64 241B for a period of three years commencing May 15, 1957. This policy is on file with the Controller.

OTHER INSURANCE

The Treasurer's Office carries no burglary or robbery insurance either as to inside or outside risks. The banks provide their own messenger service for all transactions in the Treasurer's Office. All checks for deposit are microfilmed for identification before being delivered to the bank messenger.

Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT

- SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1957

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

October 24, 1957

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1957

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

- Exhibit A - Balance Sheet, June 30, 1957
- Exhibit B - Statement of Surplus for the year ended June 30, 1957
- Exhibit C - Statement of Income and Expense for the years ended June 30, 1957 and June 30, 1956
- Schedule C-1 - Miscellaneous Additions to and Deductions from Income for the year ended June 30, 1957
- Exhibit D - Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities, for the years ended June 30, 1957 and June 30, 1956

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1957, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

N. B. Cooper

Nathan B. Cooper
Supervisor, Utility Audits

Approved: 

HARRY D. ROSS
CONTROLLER

EXHIBIT A

AIRPORT DEPARTMENT SAN FRANCISCO INTERNATIONAL AIRPORT SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1957

A S S E T S

Fixed Capital:		
In service	\$50,505,895.51	
Less reserve for depreciation	<u>8,914,003.00</u>	
Net book value	\$41,591,892.51	
Under construction	<u>93,189.84</u>	\$41,685,082.35
Cash:		
On deposit with City and County Treasurer	\$ 975,779.47	
Cash in Transit	403.04	
Revolving Fund	<u>2,500.00</u>	978,682.51
Accounts Receivable:		
Federal grants	\$ 83,525.35	
Revenues accrued and other receivables (net)	<u>305,628.02</u>	389,153.37
Interfund Accounts:		
Due from general city and county	\$ 346.80	
Due from other public service enterprises	<u>335.45</u>	682.25
Deferred Charges:		
Materials and supplies	\$ 13,773.08	
Commitments (contra)	149,548.18	
Other deferred items	<u>48,413.22</u>	211,734.48
Total Assets		<u>\$43,265,334.96</u>

L I A B I L I T I E S A N D S U R P L U S

Bonded Debt:		
Maturing within year ending June 30, 1958	\$ 1,708,000.00	
Maturing Sept. 1, 1958 through April 1, 1966	<u>7,039,000.00</u>	\$ 8,747,000.00
Bond Interest:		
Matured coupons not presented for payment	\$ 500.00	
Accrued, not due	<u>34,204.79</u>	34,704.79
Accounts Payable:		
Outstanding warrants	\$ 59,745.56	
General creditors	41,344.78	
Commitments (contra)	<u>149,548.18</u>	250,638.52
Interfund Accounts:		
Due to general city and county	\$ 62,674.30	
Due to other public service enterprises	<u>77,134.13</u>	139,808.43
Deferred Credits		<u>289,420.74</u>
Total Liabilities		\$ 9,461,572.48
Surplus - Exhibit B		<u>33,803,762.48</u>
Total Liabilities and Surplus		<u>\$43,265,334.96</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT B

AIRPORT DEPARTMENT SAN FRANCISCO INTERNATIONAL AIRPORT SAN MATEO COUNTY

SURPLUS
YEAR ENDED JUNE 30, 1957

Surplus, June 30, 1956, annual report of Controller	\$32,030,737.65
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Add:

Contributions:

Ad Valorem tax for Debt Service	\$ 145,280.20	
Purchase and Use tax for Debt Service	1,177,749.00	
State of California, Special Aviation Fund	9,975.10	
Contributions from Federal Agencies:		
CAA Grant #610 and #711	<u>163,013.88</u>	1,496,018.18

Net Profit, fiscal year 1956-57 - Exhibit C

277,006.65

Surplus, June 30, 1957

\$33,803,762.48

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1957 AND JUNE 30, 1956

OPERATING REVENUES:	<u>June 30, 1957</u>	<u>June 30, 1956</u>
Air carrier Flight Operations:		
Scheduled	\$481,950.75	\$446,448.09
Scheduled feeder lines	25,160.95	22,831.70
Non-scheduled	<u>17,205.07</u>	<u>11,209.90</u>
Total Air carrier Flight Operations	<u>\$524,316.77</u>	<u>\$480,489.69</u>
Rentals:		
Ramp area	\$ 15,861.60	\$ 15,861.60
Aircraft outdoor storage	10,159.54	13,780.25
Airport property		
Unimproved and paved	105,273.44	94,578.61
Expansion area	6,907.09	7,571.91
Hangars		
Entire hangars	35,117.52	39,799.55
Partial hangars	-0-	6,108.34
Passenger terminal building and airmail		
and cargo building office space	669,169.24	638,427.48
Other buildings and structures	<u>66,834.38</u>	<u>37,161.13</u>
Total Rentals	<u>\$909,322.81</u>	<u>\$853,288.87</u>
Bulk Petroleum Deliveries:		
Professional fire service	\$ 44,741.14	\$ 36,772.36
Rental of tank farm area	10,836.83	9,118.78
Wharfage charges	41,202.77	30,199.37
Pipe line licenses	<u>300.00</u>	<u>525.00</u>
Total Bulk Petroleum Deliveries	<u>\$ 97,080.79</u>	<u>\$ 76,615.51</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1957 AND JUNE 30, 1956

OPERATING REVENUES - Cont'd.

June 30, 1957June 30, 1956

Services, Sales, Commissions and Permits:

Public address system	\$ 16,683.41	\$ 14,142.36
Restaurant and allied services	323,244.44	284,173.48
Newspaper and tobacco counters	56,688.49	49,213.41
Taxicab and limousine permits	150,807.24	135,787.94
Parking Lot (includes parking meters)	452,432.83	368,536.62
U-Drive	241,907.38	148,716.19
Telephone commissions	17,635.81	14,320.33
Travel agency, air service and sales	-0-	46.85
Telegraph commissions	-0-	600.00
Insurance vending machines	4,800.00	10,909.68
Sale of petroleum products	10,937.76	45,847.42
Shoe shine stands	3,889.07	3,712.30
Vending and weighing machines	565.70	472.81
Baggage locker commissions	11,617.60	9,583.71
Rest rooms	16,199.71	14,423.72
Automobile service station	17,702.65	15,780.09
Public stenographer	-0-	213.60
Florist	3,286.94	3,259.04
Gift shop	26,812.83	24,907.05
Advertising displays	26,381.50	14,485.25
Childrens' "Merry-Go-Rounds"	771.43	775.04
Candy shop	2,173.87	2,057.81
Book shop	4,680.17	4,507.23
Photography	1,720.56	1,287.94
Barber shop	3,263.87	3,224.83
Telescopes	313.65	294.43
Porter service	3,000.00	3,000.00
Telo-Tronics Agency	834.48	546.24
Beauty shop	1,900.00	-0-
Total Services, Sales, Commissions and Permits	<u>\$1,400,251.39</u>	<u>\$1,174,825.37</u>
TOTAL OPERATING REVENUES	<u>\$2,930,971.76</u>	<u>\$2,585,219.44</u>

EXHIBIT C - Page 3

AIRPORT DEPARTMENT
 SAN FRANCISCO INTERNATIONAL AIRPORT
 SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
 YEARS ENDED JUNE 30, 1957 AND JUNE 30, 1956

OPERATING EXPENSES:	June 30, 1957	June 30, 1956
Salaries and Wages:		
General and administrative	\$ 50,354.94	\$ 46,817.66
Maintenance and operations	<u>769,896.45</u>	<u>695,749.53</u>
Total Salaries and Wages	<u>\$820,251.39</u>	<u>\$742,567.19</u>
Other Costs of Operation:		
Travel expense (Business trips)	\$ 5,506.12	\$ 4,427.02
Travel expense and local fares	266.96	9.75
Employee transportation expense	17,872.20	18,090.00
Freight, express and drayage	240.09	477.21
Use of employees' cars - mileage only	20.26	19.23
Storage and care of vehicles	46.65	48.65
Maintenance and care of office equipment	375.89	741.24
Maintenance and care of other equipment	221.48	434.93
Heat, Light, Power - Water	89,638.86	73,067.75
Telephone and telegraph	\$34,363.66	
Less: Extension service		
charged to tenants	<u>22,989.13</u>	<u>11,382.38</u>
Postage	671.49	662.31
Printing, advertising, etc.	1,749.79	3,405.64
Newspapers and periodicals	684.15	528.95
Janitorial and window washing services:		
Contractual	4,068.00	5,532.81
Refuse disposal	-0-	440.68
Rentals of office furniture and equipment	75.00	305.00
Professional and special services	48,114.25	39,704.62
Celebrations (Flight Festival)	-0-	1,053.19
Miscellaneous contractual services	891.61	1,208.68
Operating material and supplies	8,081.56	17,033.07
P. U. C. - general office expense	25,551.55	24,883.47
Fire fighting expense	212,432.33	198,233.68
Purchasing department expense	3,833.84	3,636.80
Towel service	<u>195.85</u>	<u>139.83</u>
Total Other Costs of Operation	<u>\$431,912.46</u>	<u>\$405,466.99</u>
Other Costs of Maintenance and Repair:		
Landing area	\$ -0-	\$ 201.01
Runways	35,530.79	24,427.94
Field lighting equipment	675.11	1,365.47
Radio equipment	1,751.29	1,854.80
Hangars	-0-	86.20
Administration building	39,923.14	25,271.23
Other buildings	4,433.66	2,284.14
Automotive equipment	21,845.17	4,203.04
Other equipment facilities	11,655.48	7,667.10
Parking areas, roads, walks, fences, etc.	1,180.77	7,914.05
Power distribution system	<u>11,965.57</u>	<u>2,239.35</u>
Total Other Costs of Maintenance and Repair	<u>\$128,960.93</u>	<u>\$ 77,514.33</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1957 and JUNE 30, 1956

OPERATING EXPENSES - Cont'd.	June 30, 1957	June 30, 1956
Fixed Charges:		
Accident compensation - employees	\$ 4,267.55	\$ 668.80
Automobile insurance	2,298.74	1,977.81
Other insurance	14,120.66	14,507.03
Pension and retirement allowance	101,613.51	90,299.17
Taxes paid	\$ 71,573.65	
Less charged to tenants	<u>8,480.31</u>	
Depreciation	63,093.34	62,342.57
Doubtful accounts	1,034,550.22	1,029,908.17
Membership dues	4,800.00	4,800.00
Awards, indemnities, damages and judgments	1,035.00	1,035.00
	<u>3,758.25</u>	<u>-0-</u>
Total Fixed Charges	<u>\$1,229,537.27</u>	<u>\$1,205,538.55</u>
TOTAL OPERATING EXPENSES	<u>\$2,610,662.10</u>	<u>\$2,431,087.06</u>
OPERATING PROFIT	<u>\$ 320,309.66</u>	<u>\$ 154,132.38</u>
OTHER INCOME:		
Rental of electric energy	3349,161.58	
Less cost thereof	<u>224,014.22</u>	
	\$ 125,147.36	\$ 101,603.76
Rental of water	\$ 55,363.35	
Less cost thereof	<u>51,773.11</u>	
	3,590.24	4,135.18
Sale of steam	4,756.27 (1)	4,463.74 (1)
Sewage disposal	16,259.09 (1)	1,532.77 (1)
Miscellaneous	<u>3,380.26</u>	<u>2,824.83</u>
Total Other Income	<u>\$ 153,133.22</u>	<u>\$ 114,560.28</u>
Sub-total	<u>\$ 473,442.88</u>	<u>\$ 268,692.66</u>
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense	\$ 138,540.00	\$ 168,796.86
Miscellaneous additions to and deductions		
from income - net deduction (Schedule C-1)	<u>57,896.23</u>	<u>89,173.95</u>
Total Other Expense	<u>\$ 196,436.23</u>	<u>\$ 257,970.81</u>
NET PROFIT	<u>\$ 277,006.65</u>	<u>\$ 10,721.85</u>

(1) Cost of these items is incidental to the production for Airport general use. No breakdown of unit costs is available.

The accompanying notes to financial statements are an integral part of this statement of income and expense.

SCHEDULE C - 1

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

MISCELLANEOUS ADDITIONS TO AND DEDUCTIONS FROM INCOME
YEAR ENDED JUNE 30, 1957

	Applicable to		<u>Total</u>
	<u>1956-57</u>	<u>Prior Years</u>	
Deductions:			
Provisions for possible uncollectibility of disputed accounts receivable:			
Western Airlines, Inc.	\$36,186.88		\$36,186.88
United Airlines, Inc.	2,400.00		2,400.00
Pan American Airways	<u>2,400.00</u>		<u>2,400.00</u>
Total	\$40,986.88		\$40,986.88
Adjustments of Fixed Capital	9,250.74	\$ 9,370.73	18,621.47
Miscellaneous deductions from revenue	<u> </u>	<u>3,664.64</u>	<u>3,664.64</u>
Total deductions	<u>\$50,237.62</u>	<u>\$13,035.37</u>	<u>\$63,272.99</u>
Additions:			
Provisions for possible uncollectibility of disputed accounts receivable:		\$ 4,800.00	\$ 4,800.00
Miscellaneous deductions from expense		<u>576.76</u>	<u>576.76</u>
Total additions		<u>\$ 5,376.76</u>	<u>\$ 5,376.76</u>
Net deduction	<u>\$50,237.62</u>	<u>\$ 7,658.61</u>	<u>\$57,896.23</u>

The accompanying notes to financial statements are an integral part of this statement of miscellaneous additions to and deductions from income.

AIRPORT DEPARTMENT
 SAN FRANCISCO INTERNATIONAL AIRPORT
 SAN MATEO COUNTY
 STATISTICS

YEARS ENDED JUNE 30, 1957 AND JUNE 30, 1956

Comparative report of aircraft movements and traffic, including domestic and international activities as reported by the various sources. The accuracy of this data has not been verified by the Controller's Utility Audit Division.

	<u>June 30,</u> <u>1957</u>	<u>June 30,</u> <u>1956</u>	<u>Increase</u> <u>Decrease (-)</u>	<u>%</u>
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower:				
Carriers	129,178	129,313	- 135	- 0.1
Itinerant	34,479	34,980	- 501	- 1.4
Local	<u>40,772</u>	<u>34,775</u>	<u>5,997</u>	<u>17.2</u>
Totals	<u>204,429</u>	<u>199,068</u>	<u>5,361</u>	<u>2.7</u>
Number of passengers, as reported by air carriers:				
On and off	3,223,656	2,791,937	431,719	15.5
Through (No stopovers)	<u>461,174</u>	<u>490,507</u>	<u>-29,333</u>	<u>- 6.0</u>
Totals in and out (1)	<u>3,684,830</u>	<u>3,282,444</u>	<u>402,386</u>	<u>12.2</u>
Air mail, express and freight, in pounds on and off, as re- ported by various air lines: (1)				
Air mail (2)	35,410,289	34,338,085	1,072,204	3.1
Express	9,195,181	8,822,952	372,229	4.2
Freight	<u>80,291,729</u>	<u>66,543,120</u>	<u>13,748,609</u>	<u>20.7</u>
Totals	<u>124,897,199</u>	<u>109,704,157</u>	<u>15,193,042</u>	<u>13.8</u>

Note:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.
- (2) June 30, 1957 figure includes 9,307,232 pounds of first class mail sent by air.

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1957

- Note 1. Included in accounts receivable of \$305,628.02 are certain disputed sums in the amount of \$40,115.03. This amount plus \$207,407.31 paid by Western Air Lines, Inc. under protest has been fully reserved under the account deferred credits.
- Note 2. In addition to the amount stated in Note 1, the San Francisco International Airport was contingently liable at June 30, 1957, for various alleged personal injuries and property damages evidenced by claims filed with the Controller in the amount of \$161,459.34. During the fiscal year ended June 30, 1957 there was in force an insurance policy protecting the Airport from personal injury and property damage claims.
- Note 3. Effective July 1, 1956 operations at the Executive Terminal, covering principally the storage and servicing of itinerant aircraft, were taken over from the Airport by a fixed base operator. This transfer of operations from the Airport to the fixed base operator resulted in a net decrease in revenues from these operations, principally in the revenues from the sale of Petroleum Products, of approximately \$32,000.00. This transfer of operations, however, made possible the assignment of an equivalent amount of Airport labor to other Airport duties.



**City and County of San Francisco
Employees' Retirement System**



EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1957

FARQUHAR & HEIMBUCHER

Certified Public Accountants

220 BUSH STREET
SAN FRANCISCO 4, CALIFORNIA

December 18, 1957

To the Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

We have examined the balance sheet of the San Francisco City and County Employees' Retirement System at June 30, 1957 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves present fairly the financial position of the San Francisco City and County Employees' Retirement System at June 30, 1957 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles consistently applied.

Farquhar & Heimbucher

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments

Comments on Operations

Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1957

Exhibit B Statement of Changes in Reserves for Year ended June 30, 1957

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated May 10, 1957. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, acting under Article XVII of the charter which was adopted at the general election of November 2, 1920. The System was established to provide retirement and death benefits for public employees other than policemen and firemen, who were at that time members of a separate pension system, and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter, effective January 8, 1932, the employees of the police and fire departments were brought

into the System, and the present name and administrative organization were adopted.

The System is administered by the Retirement Board consisting of seven members. They are the President of the Board of Supervisors, the City Attorney, three active members of the System elected by the membership, and two members appointed by the Mayor of whom one is an officer of a bank and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. John J. Ferdon, President of the Board of Supervisors; Mr. Norman S. Wolff, the designated representative of Mr. Dion R. Holm, City Attorney; Mr. William J. Murphy, Mr. William T. Reed and Mr. Martin F. Wormuth, elected by the membership; Mr. Philip S. Dalton of Crocker-Anglo National Bank; and Mr. Harry J. Stewart of West Coast Life Insurance Company. Mr. James Duffy was Acting Secretary of the System during the period under review and until the appointment of a permanent Secretary by the Retirement Board.

Membership in the System now includes all permanent civil service employees of the City and County of San Francisco and the San Francisco Unified School District, certain part-time employees, and certain elective officials. The present active membership is approximately 19,500, and approximately 4,970 retired employees or their beneficiaries are receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we compared members' contributions with payroll records and with established contribution rates on a test basis. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan

provided under charter section 165 the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1, and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

<u>Department</u>	<u>Charter Section</u>	<u>July 1, 1956 to January 31, 1957</u>	<u>February 1, 1957 to June 30, 1957</u>
Municipal Railway	165.2	5.913 %	6.221 %
Water Department	165.2	12.107	12.353
Police Department	168.1	19.714	19.714
Fire Department	171.1	26.651	27.775
All others	165.2	12.563	12.898

The above rates were computed on the basis of an actuarial survey at June 30, 1954 adjusted for charter changes and amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payments of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

City and County of San Francisco other contributions represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	\$ 7,376,870.27
Disability retirements	1,970,882.32
Industrial death allowances	701,931.45
Death benefits to members' beneficiaries	640,665.13
Death benefits to beneficiaries of retired employees	<u>160,635.51</u>
Total	\$ <u>10,850,984.68</u>

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

Cash - \$ 3,499,702.40

Cash on deposit with the Treasurer of the City and County of San Francisco, \$ 3,499,702.40, was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to \$ 60,213.98 which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the System and have been deducted to arrive at the above cash balance. The System is presently attempting to locate the payees of these warrants and make payment to them.

Employees' Contributions In Process of Collection - \$ 624,662.91

The above amount represents contributions withheld from employees' salaries for May and June 1957 for which cash transfers were made after June 30, 1957. This amount was confirmed by direct communication with the office of the Controller.

City and County of San Francisco Contributions
and Reimbursements - \$ 1,756,633.51

A summary of the balances due from the City and County of San Francisco at June 30, 1957 is as follows:

City and County contributions due from public utilities and special funds	\$ 1,715,449.06
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	36,787.45
Due from special funds	
Compensation costs	4,376.20
Due from Health Service	<u>20.80</u>
Total	\$ <u>1,756,633.51</u>

The amount for City and County of San Francisco contributions due from public utilities and special funds represents contributions for May and June 1957 for which cash transfer vouchers were made after June 30, 1957.

Contributions of policemen, made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds for compensation costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and,

in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Bond Interest Accrued - \$ 1,497,428.43

We have satisfied ourselves by an independent calculation that the above amount of \$ 1,497,428.43 represents the bond interest earned but not yet received at June 30, 1957.

Estimated Future City and County of San Francisco
Contributions for Compensation Claims Pending - \$ 1,502,536.09

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1957. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety laws of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System from funds furnished by Special Fund Agencies and tax appropriation.

Bond Investments - \$ 192,951,513.78

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1957.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1957. We did not ascertain the current market value of these securities. None of the bonds owned appeared in default as to principal or interest at June 30, 1957, and all appeared

to be of a character legal for investment by insurance companies in the State of California.

In the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to \$ 2,165,190.50 at June 30, 1957, is shown as a reserve as described later in this report.

Excess Appropriations in Excess of Requirements
Available to City and County of San Francisco - \$ 21,553.35

This account represents the excess of City and County of San Francisco tax appropriations allocated to the Retirement System over pension costs incurred for the year ended June 30, 1957.

This excess is derived as follows:

Balance June 30, 1956	\$ 190,922.98
Plus Appropriation allocated to Retirement System for year	<u>12,137,955.91</u>
	12,328,878.90
Less: Excess over requirements for year ended June 30, 1956 returned to City and County of San Francisco	190,922.98
Plus charges for current and prior service and other costs	<u>12,116,402.57</u> <u>12,307,325.55</u>
Balance June 30, 1957	\$ <u><u>21,553.35</u></u>

The City Attorney's opinion number 881, dated September 24, 1954, provides that the excess in the appropriations made to Retirement System since July 1, 1946 is to be returned to the General Fund in accordance with Section 80 of the charter. The amount of this nature prior to July 1, 1946, \$ 257,888.43, has been retained in the reserves of the Retirement System against the obligations of the City and County of San Francisco on account of benefits that have been granted and on account of prior service of members.

Accumulated Contributions of Former Members - \$ 23,260.80

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions but not yet presented for payment.

Advances from Private Sources - \$ 585.00

The above represents unexpended amounts received from various organizations for actuarial valuation expenses pertaining to proposed legislation affecting the retirement statutes.

Estimated Liability for Compensation Insurance
Claims Pending - \$ 1,502,536.09

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Reserves for Current Service Benefits
Already Granted - \$ 56,521,066.30

This account represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law an actuarial valuation of these reserves is made every six years based on current mortality and interest rates. Such an

actuarial survey was made as at June 30, 1954 upon which the above amount was based.

Reserves for Current Service Benefits
Not Yet Granted - \$ 132,062,839.83

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amount to \$ 62,602,127.05. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1957 at the rate of two and one-half per cent.

Statements of accounts as at June 30, 1957 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

City and County of San Francisco accumulated contributions, \$ 69,460,712.78, for the benefit of present members not yet retired are reflected in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1957 interest was credited to this account at the rate of two and one-half per cent.

Reserve for Death Benefits on Deposit - \$ 9,899.41

This amount represents death benefits which the beneficiaries have voluntarily left on deposit with the Retirement System. They are being paid to the beneficiaries in monthly installments.

Other Reserves - \$ 11,691,106.34

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded, \$ 2,330,960.57, consists of unallocated funds retained by the System, as provided by an ordinance effective June 30, 1956, plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited. Allocations are made from these funds for financial statement purposes to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the redeposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1956		\$ 2,294,496.25
Increases		
Contributions released on withdrawal of active members	16,053.42	
Contributions released on death of active members	51,794.93	
Interest credited	<u>116,513.27</u>	<u>184,361.62</u>
		2,478,857.87
Decreases		
Amount allocated to the reserve for disability pensions		
Required at June 30, 1957	2,427,196.91	
Required at June 30, 1956	<u>2,364,314.70</u>	
Increase in amount allocated	62,882.21	
Death benefits paid to beneficiaries of matching plan members	84,725.38	
Amount transferred on account of redeposit of members' contributions previously withdrawn	<u>289.71</u>	<u>147,897.30</u>
Balance at June 30, 1957		\$ <u>2,330,960.57</u>

Unallocated earnings from sale of bonds, \$ 2,165,190.50, represent the unabsorbed portion of book profit from the sale of certain bonds. This reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds		
Year ended June 30, 1943	\$ 400,421.35	
1944	1,418,102.36	
1945	3,207,543.26	
1954	31,050.49	
1955	<u>57,765.72</u>	5,114,883.18
Profit applied for thirteen years ended June 30, 1956		<u>2,749,192.71</u>
Balance undistributed at June 30, 1956		2,365,690.47
Profit applied for year ended June 30, 1957		<u>200,499.97</u>
Balance undistributed at June 30, 1957		\$ <u>2,165,190.50</u>

On the books of the System this reserve is carried as a valuation reserve against the amortized value of bond investments.

Contingency reserve against adverse experience, \$ 7,194,955.27, represents interest earned on investments in excess of the amount allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of \$ 2,949,692.68 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1956		\$ 6,052,454.36
Bond interest earned	5,429,712.94	
Prior years' profit on sale of bonds applied during the year	200,499.97	
Interest earned on City and County of San Francisco balance	976.90	
Other income	<u>3,645.81</u>	<u>5,621,835.62</u>
Total		11,687,289.98
Less Interest credited to all accumulated contributions and reserves		<u>4,492,334.71</u>
Balance at June 30, 1957		\$ <u>7,194,955.27</u>

SAN FRANCISCO CITY AND COUNTY FINANCIAL STATEMENT, 1927

BALANCE SHEET AT JUNE 30, 1927

ASSETS

CASH		
RECEIVABLES, contributions in process		3,477,702.40
of collection		
City and County of San Francisco	634,666.21	
contribution, and labor, agent	1,750,633.51	
San Francisco	1,497,408.43	
Estimated future City and County of		
San Francisco contributions for		
San Francisco (contra)	1,504,536.09	
LAND INTERESTS, AT UNDEVELOPED VALUE		5,331,740.94
UNITED STATES GOVERNMENT		
California municipalities, school district,	69,094,315.38	
California municipalities, school district,	14,431,286.75	
California municipalities, school district,	4,401,395.33	
California municipalities, school district,	3,740,000.89	
Railroad	23,373,071.62	
Railroad equipment trucks	3,295,794.30	
Railroad terminal	80,447,072.41	
Public utility		19,951,513.78

\$ 20,432,477.12

SAN FRANCISCO CITY AND COUNTY FINANCIAL STATEMENT, 1927

BALANCE SHEET AT JUNE 30, 1927

LIABILITIES

LIABILITIES CURRENTLY PAYABLE		
Tax appropriations in excess of requirements		
payable to City and County of San Francisco	\$ 21,553.35	
Estimated contributions of former members	25,520.00	
Estimated liability for compensation costs	595.00	
(contra)	1,502,436.09	1,977,979.24
REVENUES		
For current service benefits already granted		
Service benefits		
Pensions	10,450,412.73	
Disability retirements	30,406,532.96	
Annuities	935,663.82	
Pensions	12,077,958.94	
Life insurance death allowances		
Pensions	206,219.21	
Additional	2,424,278.64	56,521,066.30
For current service benefits not yet granted		
Members' accumulated contributions		
Normal - general	50,495,476.51	
Police	5,321,813.08	
Fire	5,469,289.15	
Additional	215,543.31	
Additional	62,602,127.05	
City and County of San Francisco	69,460,712.28	132,062,839.83
accumulated contributions		3,559.41
For death benefits on deposit		
City and County of San Francisco		
contributions reserved for prior and		
current service benefits not other-		
wise funded		
Unallocated earnings from sale of bonds		
Contingency reserve against adverse		
operatives		
		2,330,960.37
		2,465,190.50
		7,154,955.27
		11,691,106.24
		\$ 20,432,477.12

EXHIBIT B

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1957

MEMBERS' CONTRIBUTIONS

Normal			
General	\$ 6,833,131.25		
Police	767,020.68		
Fire	8,257,929.44		
Additional	74,214.88		
Redeposits of withdrawn contributions	<u>8,281.82</u>	8,340,426.14	
CITY AND COUNTY OF SAN FRANCISCO			
REGULAR CONTRIBUTIONS			
General	9,497,536.14		
Police	2,033,179.33		
Fire	2,431,528.20		
Current service reserves	<u>179,434.37</u>	13,962,243.67	
Prior service benefits	<u>991,937.63</u>	1,171,371.98	
General	871,715.22		
Police	935,246.73		
Fire	<u>1,404,685.93</u>	13,495,423.53	
INCOME			
Bond interest earned	5,429,712.94		
Other	<u>4,622.81</u>	5,434,335.75	

CITY AND COUNTY OF SAN FRANCISCO

OTHER CONTRIBUTIONS			
For administrative expenses			
General	215,607.24		
Police			
Fire			
For pensionation insurance costs incurred (contra)	<u>236,329.69</u>	451,936.93	
Total reserve additions forward		32,713,122.35	

EXHIBIT B

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1957

Total reserve additions (forward)	\$ 32,713,122.35		
DISBURSEMENTS TO MEMBERS AND BENEFICIARIES			
Allowances and benefits paid	1,889,987.38		
From accumulated contributions	<u>4,442,817.44</u>		
Members			
City and County of			
San Francisco			
From City and County of	<u>4,523,179.86</u>		
San Francisco current payments	10,850,938.68		
Monthly death benefit installments	10,776.63		
Accumulated contributions withdrawn	<u>3,042,595.00</u>	13,903,857.31	
ADMINISTRATIVE EXPENSES PAID (CONTRA)			
COMPENSATION COSTS INCURRED (CONTRA)			
Weekly benefits	142,894.25		
Medical expenses	284,342.00		
Pensionation	<u>3,223.27</u>	995,083.53	
Administrative expenses	<u>22,694.00</u>		
Less Subrogation recoveries and refunds from special funds	<u>125,753.84</u>	236,329.69	
RECLASSIFICATION OF ACCOUNTS			
Accumulated contributions of former members transferred to liabilities	23,260.80		
Less benefits on deposit transferred to reserves	<u>19,442.86</u>	3,817.94	
Total reserve reductions		<u>14,359,612.18</u>	
EXCESS OF RESERVE ADDITIONS OVER REDUCTIONS		18,353,510.17	
RESERVES AT JUNE 30, 1956		<u>181,932,031.71</u>	
RESERVES AT JUNE 30, 1957, EXHIBIT A			
For current service benefits already printed	56,421,866.41		
For current service benefits not yet printed	132,000,833.83		
For death benefits on deposit	9,529.40		
Other reserves	<u>11,630,185.31</u>		
Total		180,062,515.95	





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Annual Report
of the
Controller
of the

City and County of San Francisco
For the Fiscal Year Ended June 30, 1958



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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1958



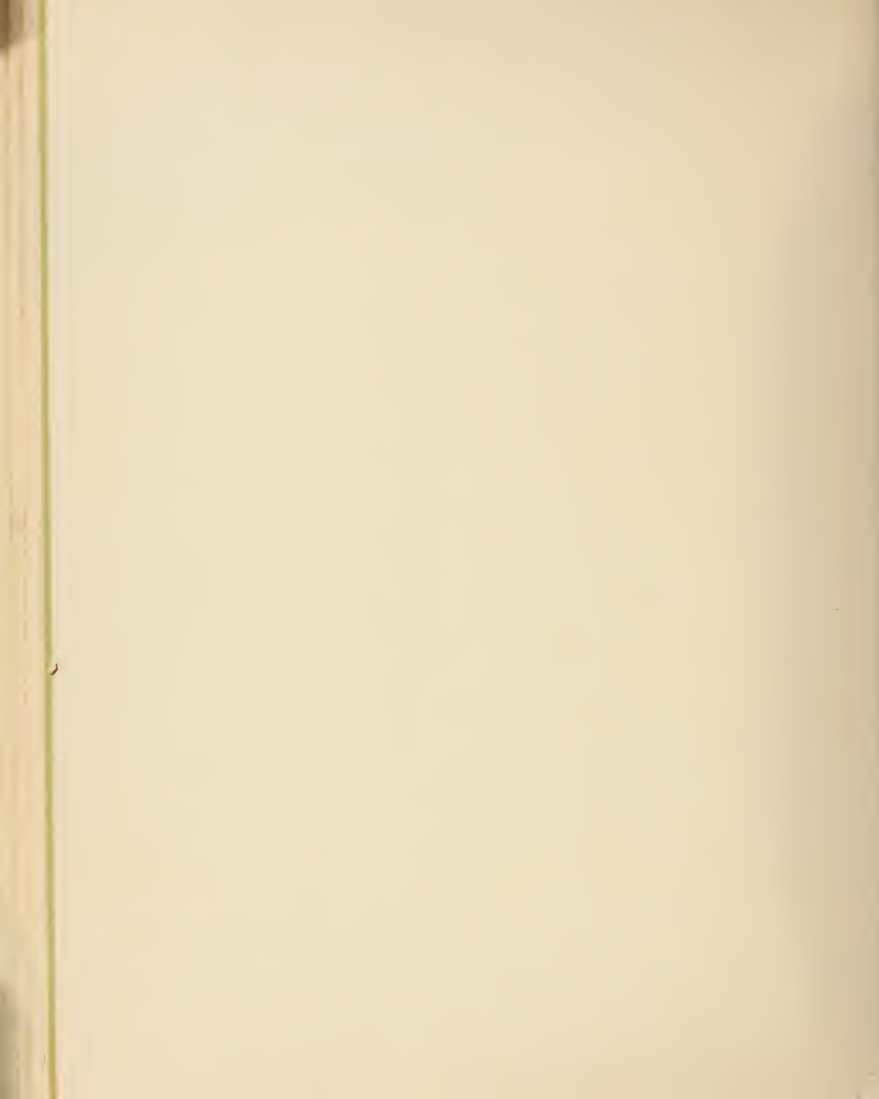


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By F. W. Lafrentz & Co.

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By John F. Forbes and Company

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JUNE 30, 1958

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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF
CONTROLLER

November 30, 1958

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1958 is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by F. W. Lafrentz & Co. by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by John F. Forbes & Co.

Municipal Railway, by Haskins & Sells.

San Francisco School Department, by Benjamin H. Hicklin.

Employees Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,


HARRY D. ROSS
CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Property Taxes and Penalties	\$60,358,808	\$60,699,337	\$66,500,390	\$70,595,833	\$69,852,072	\$76,123,581	\$84,448,841	\$89,361,418	\$93,181,568	\$99,074,852
Retail Purchase and Use Tax	4,667,018	4,579,668	5,045,495	4,923,011	5,049,201	4,984,922	5,124,681	5,603,569	11,305,306	13,197,860
Other Taxes and Licenses	1,465,093	1,506,803	1,558,434	1,614,163	1,698,453	1,730,380	1,811,030	1,928,163	1,270,812	1,031,980
> Court Fines	1,386,183	1,530,166	1,619,179	1,882,284	2,246,475	2,470,813	2,657,980	2,857,703	2,937,851	2,994,354
> Departmental Revenues	5,222,206	5,383,159	6,499,076	6,182,217	6,620,108	6,961,946	7,727,720	8,276,945	8,094,354	8,490,354
> Rents, S. F. Unified School District	400,066	371,262	361,303	339,655	369,265	364,083	356,863	359,767	699,822	1,020,829
> Housing Authority in Lieu of Taxes	274,458	372,387	392,037	326,222	244,345	394,835	336,863	359,669	355,847	355,847
> Miscellaneous	51,441	91,940	49,493	87,988	134,104	90,099	159,035	143,779	129,980	166,774
> Cash Transferred from Capital Funds	74,133,189	75,253,545	82,556,991	86,500,776	86,739,410	93,695,479	102,992,644	109,139,314	118,725,806	127,669,462
> Cash Transferred from Trust Funds	263,787	537,093	223,845	369,254	358,985	764,616	17,427	608,416	429,641	242,955
> From School Cotermin Fund	135,912	.....	.....	.....	.....	.....	1,274	.....	.....	.....
Revenues Through State of California	74,520,882	75,790,638	82,780,836	89,699,930	87,699,395	94,464,095	103,011,345	109,747,730	119,155,447	127,932,437
Shared State Taxes:										
Motor Vehicle Fuel Tax:										
Special Gas Tax Street Imp. Fund	2,408,477	2,207,248	2,306,220	2,250,222	2,327,622	2,269,025	2,274,701	2,389,601	2,415,641	2,331,570
Special Road Imp. Fund	1,576,870	1,705,617	1,823,475	1,902,631	1,981,376	1,980,017	2,004,260	2,143,934	2,218,056	2,231,470
Motor Vehicle Registration Fees	360,431	382,973	403,898	405,851	413,464	329,230	413,571	415,204	435,077	439,306
Motor Vehicle License Fees	3,331,193	4,346,181	4,407,173	6,508,349	5,671,985	6,332,068	6,600,986	7,860,856	7,455,087	7,253,597
Public Beverage License Sumsby	1,264,850	1,367,041	1,415,966	1,249,603	1,263,643	1,261,919	1,276,236	1,290,311	1,185,907	1,234,572
Miscellaneous .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Federal Grants-In-Aid:										
Maintenance of Minors	266,283	411,910	569,920	557,906	525,588	517,699	539,697	559,526	542,769	604,198
Aid to Needy Children	730,597	1,567,352	2,681,619	2,856,288	2,894,867	3,000,146	3,248,027	3,453,075	3,737,658	4,474,871
Aid to Needy Blind	182,874	191,972	449,090	451,306	467,457	479,407	493,579	526,134	537,634	575,855
Aid to Needy Aged	3,883,186	4,785,842	11,979,851	11,657,159	11,814,405	11,760,138	11,273,450	11,489,951	11,849,368	12,178,122
Neely Disabled .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Neely Blind .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Neely Cripple .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Neely Child (Blind & Aged) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Homes for Children	26,420	28,772	27,544	24,792	27,768	29,284	34,800	34,195	35,225	49,772
School Appointments from State	7,855,353	7,462,264	7,720,320	7,781,132	8,427,501	10,770,345	11,219,877	11,451,505	11,719,609	12,988,207
County School Service Fund	27,400	27,059	26,577	29,471	31,550	36,587	38,903	44,435	49,082	223,033
Child Care Centers	577,000	602,300	498,023	482,905	466,447	410,102	444,621	513,056	481,842	553,524
School Cotermin	94,346	85,602	94,945	111,061	75,635	87,259	116,686	193,125	107,655	108,828
Teachers' Retirement	247,553	335,794	352,874	682,659	737,547	803,158	822,054	1,018,525	1,041,821	1,941,421
Teachers' Retirement .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Federal Aid to Schools	599,883	466,366	632,511	640,957	823,518	1,055,033	894,401	534,745	1,157,997	890,925
Tuberculosis Aid Subsidy	342,678	489,684	523,186	520,617	459,341	533,288	426,784	315,443	329,139	329,139
Crippled Children Program	75,000	113,024	159,052	201,612	285,542	398,831	369,897	369,897	314,978	414,815
Other Public Health Subsidies	248,818	248,271	257,903	227,947	237,753	199,159	198,341	245,654	330,438	275,057
Aid for Log Cabin Ranch	31,424	40,569	48,402	46,407	43,250	46,360	52,907	51,930	57,252	66,599
Fire Boat and Waterfront Expense	199,776	202,262	209,849	219,498	229,416	252,808	207,850	221,500	243,220	246,120
Drillman War Assistance	65	.....	.....	.....	.....	.....	.....	.....	.....	.....
Post War Planning Projects	35,354	363,315	140*	37,750	125,147	65,027	30,552	15,107	59,048	8,835
Recreation Dept. Subsidy .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
California Centennial Commission	50,000	27,439,093	36,497,258	38,932,329	39,508,407	42,637,117	43,275,125	45,060,043	46,605,146	50,802,218
Total Revenues	\$98,466,759	\$103,239,731	\$119,278,094	\$125,802,259	\$126,000,802	\$137,151,212	\$146,286,470	\$154,807,773	\$165,801,793	\$175,341,725

*Quarters Deduction

CITY AND COUNTY OF SAN FRANCISCO STATEMENT OF EXPENDITURES

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Post-Office Expenditures										
General Government	\$ 7,585,988.85	\$ 7,828,393	\$ 7,789,286	\$ 8,767,034	\$ 8,539,705	\$ 9,385,669	\$ 9,909,585	\$ 10,250,985	\$ 10,787,773	\$ 12,501,200
Public Safety	14,393,249.89	15,228,793	15,888,907	17,509,966	18,748,784	20,804,800	22,004,766	22,057,205	24,483,491	25,887,480
Highways	1,922,531.04	2,046,428	1,963,287	1,950,737	2,722,831	3,268,109	3,287,857	3,450,138	3,569,748	3,770,786
Sanitation and Waste Removal	2,118,572.33	2,141,219	2,147,014	2,569,934	2,957,688	3,269,346	3,324,461	3,486,355	3,683,729	4,016,221
Conservation and Health	1,892,396.02	2,088,305	2,123,358	2,390,449	2,502,420	2,753,708	2,806,125	2,918,451	3,208,255	3,343,925
Public Welfare	6,318,117.81	6,601,352	6,696,240	7,761,571	6,478,313	7,107,558	7,738,366	7,858,224	8,139,225	8,608,356
Corporation	8,595,960.80	10,882,610	20,859,900	20,821,665	22,233,625	22,027,819	22,450,499	23,470,816	24,472,876	26,997,651
Sanitation	1,008,140.47	1,018,600	1,080,704	1,251,296	1,801,926	1,965,756	2,106,164	2,184,814	2,278,679	2,578,231
Schools	21,219,221.03	23,016,066	24,390,045	26,798,540	29,341,754	31,363,509	32,027,730	33,965,430	37,832,750	40,743,784
Public Utilities	772,215.21	802,652	825,926	923,544	935,314	1,045,452	1,105,315	1,168,106	1,303,988	1,396,034
Regulation	5,276,653.38	5,296,062	4,753,800	4,932,813	5,075,479	5,419,246	5,580,062	5,824,208	6,132,717	6,933,718
Total Departmental	71,102,986.83	76,950,480	88,518,467	95,677,549	101,337,839	108,170,972	112,340,950	116,634,732	125,893,231	136,757,390
Expenditures	71,102,986.83	76,950,480	88,518,467	95,677,549	101,337,839	108,170,972	112,340,950	116,634,732	125,893,231	136,757,390
Land Reclamations	4,189,000.00	4,639,000	5,098,000	5,383,000	5,540,000	5,654,000	6,694,000	6,888,000	7,407,000	8,492,000
Interest	1,077,821.76	1,298,730	1,335,016	1,367,580	1,447,005	1,618,812	1,594,498	1,665,775	1,835,093	2,297,474
Insurance	8,285,240.80	10,516,145	10,918,329	11,880,452	12,541,720	13,527,289	13,761,938	15,925,584	17,142,220	16,167,712
Judgments and Losses	56,543.48	37,177	79,589	21,749	213,370	125,789	209,933	175,068	190,333	18,779
Support of Public Service										
Enterprises:										
Airports	2,632,670.00	2,966,290	2,996,780	1,712,594	1,604,442	1,465,459	1,890,856	795,774	1,323,029	3,452,414
Municipal Railway	2,461,249.14		1,062,032	2,384,117	9,000*		2,932,648	3,093,178	3,495,329	
Public Utilities Commission:										
Light, Heat and Power										
Bureau	1,022,824.77	28,679	213,740	65,136	1,812	139,379	145,615	210,319	188,436	70
Capital Additions From Revenues	4,103,630.48	5,034,158	7,297,801	3,621,951	3,447,108	5,777,715	5,237,913	5,500,062	5,494,473	5,829,651
Sanitation and Public Defense			106,165	303,405	218,896	201,273	186,730	185,934	230,611	176,758
Assessments, Other Civil										
Divisions	170,342.08	171,825	190,383	169,133	99,000	99,000	336,113	132,000	132,000	132,000
Miscellaneous, net	1,817,305.93	140,910*	274,018	8	761,785	1,049,231*	820,044*	48,261*	952,541*	1,536,731
Total Expenditures	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,586,674	\$127,203,977	\$135,730,407	\$144,510,750	\$150,567,165	\$162,379,214	\$174,860,979

Notes Credit

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)	1958 (a)
Water Sales	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318	\$12,133,574	\$12,683,906	\$13,048,334	\$13,262,961	\$13,699,044
Operating Expenses:										
Provision for Depreciation ..	889,337.61	906,404.87	940,078.04	948,787.58	970,779	1,077,970	1,178,805	1,190,549	1,130,856	1,166,692
Other Operating Expenses ..	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,650	8,109,677	8,119,086	8,359,446	8,652,230
	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620	9,288,482	9,309,635	9,490,302	9,812,922
Profit from Operations	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954	3,395,424	3,738,699	3,772,659	3,886,122
Other Income	245,593.36	201,651.22	237,246.98	313,604.11	382,030	923,093	578,909	379,623	408,528	775,729
	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047	3,974,333	4,118,322	4,181,187	4,661,851
Other Expenses:										
Interest on Bonded Debt	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083	914,115	875,664	838,325	782,031	724,963
Other	50,879.92	44,439.43	44,874.53	65,148.01	72,538	60,058	83,724	71,063	97,204	110,905
	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173	959,388	909,328	879,235	835,868
Net Income	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,209,919.76	\$ 3,246,418	\$ 3,688,874	\$ 3,014,945	\$ 3,208,994	\$ 3,301,952	\$ 3,825,983

(a) Continues Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS

Fiscal Years 1945-46 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)	1958 (a)
Power Sales	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981	\$4,289,746	\$4,526,289	\$4,517,503	\$4,804,325	\$4,900,849
Special Charge and Sale of Water to the S. F. Water Dept	3,780,804.29	3,588,504.63	3,575,046.00	3,445,250.00	3,545,590	3,545,590	4,030,000	4,030,000	4,030,000	4,100,000
Operating Expenses:	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336	8,556,289	8,547,503	8,834,325	8,930,849
Provision for Depreciation	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945	1,825,007	1,794,028	1,914,026	1,910,742
Other Operating Expenses	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817	3,226,122	3,170,478	3,645,177	3,721,576
Profit from Operations	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762	5,051,129	4,964,506	5,559,203	5,632,318
Other Income	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574	3,505,160	3,582,997	3,275,122	3,298,531
Other Expenses:	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767	41,715	40,255	109,527	100,342
Interest on Bonded Debt	3,923,809.91	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341	3,546,875	3,623,252	3,384,649	3,398,873
Other	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321	1,572,251	1,451,714	1,380,333	1,275,916
Net Income	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321	1,588,741	1,451,714	1,380,333	1,287,104
	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667	\$1,590,020	\$1,958,134	\$2,171,538	\$2,004,316	\$2,111,769

*Denotes Loss.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY
STATEMENT OF OPERATIONS
Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Revenues	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37	\$23,491,980.98	\$22,137,625.17	\$21,087,543.29	\$20,456,021.15	\$20,242,262.43	\$19,842,117.52
Operating Expenses:										
Depreciation	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97	1,732,383.04	1,399,251.31	1,041,798.34	1,056,028.47
Other Operating Expenses ..	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54	20,867,915.18	20,285,821.91	20,359,117.37	20,931,375.55	20,732,587.20
	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15	22,018,204.95	21,868,368.74	21,973,173.89	22,788,615.67
Profit from Operations	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*	930,561.66*	1,502,347.59*	1,730,911.46*	2,946,498.15*
Other Income	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31	56,617.87	92,562.84	95,299.57	172,092.29
	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,654.46*	795,085.92	520,055.67*	874,043.79*	1,409,784.75*	1,635,611.89*	2,774,405.86*
Other Expenses:										
Interest on Market Street Railway purchase	107,194.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08	249,193.47	227,698.57	200,922.05	182,051.07
Interest on Bonded Debt ..	137,716.09		96,784.97	58,471.67	1,320.47	91,202.15	29,840.93	17,711.64	93,358.55	73,649.11
Other	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23	279,084.40	245,410.21	294,280.60	255,700.18
Net Income	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,968.93	\$ 882,472.90*	\$ 1,153,078.19*	\$ 1,655,194.96*	\$ 1,979,892.49*	\$ 3,030,106.04*

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1948	1950	1951	1952	1953	1954	1955	1956	1957	1958
Revenue:										
Landing Charges	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82	\$ 422,577.78	\$ 444,124.65	\$ 480,486.69	\$ 524,316.77	\$ 742,302.59
Rentals	98,388.75	118,789.03	133,241.60	157,800.59	181,356.96	212,851.71	657,339.69	853,288.87	909,322.81	902,488.11
Other	193,373.44	246,869.66	298,727.32	380,556.80	469,125.99	528,949.11	1,028,036.96	1,251,440.88	1,497,332.18	1,738,589.77
	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60	2,129,501.00	2,585,219.44	2,930,971.76	3,420,380.47
Operating Expenses:										
Depreciation	638,043.10	648,646.19	823,339.87	832,193.45	811,347.59	718,388.20	730,489.68	1,029,908.17	1,034,550.22	1,037,458.19
Other Operating Expenses	506,176.63	571,061.36	583,435.30	584,750.31	634,630.55	703,119.80	1,162,997.86	1,401,178.89	1,576,111.88	1,617,240.98
	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00	1,893,487.54	2,431,087.06	2,610,662.10	2,654,699.17
Profit from Operations	720,236.45*	698,845.10*	759,488.97*	585,068.45*	455,486.37*	257,129.40*	236,013.46	154,132.38	320,309.66	765,681.30
Other Income	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74	102,875.46	114,560.28	153,133.22	162,694.66
	690,051.28*	673,491.91*	725,763.87*	553,132.29*	426,046.29*	197,537.66*	338,888.92	268,692.66	473,442.88	928,375.96
Interest on Bonded Debt	106,390.54	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12	138,586.98	168,796.86	138,540.00	111,466.05
Other Expenses			2,481.22	15,151.13	(20,253.67)	185,139.94	89,037.72	89,173.95	57,896.23	(4,352.20)
	106,390.54	87,584.53	123,381.63	149,242.81	96,288.77	284,248.06	227,624.60	257,970.81	196,436.23	106,513.85
Net Income	\$ 796,441.82*	\$ 761,076.44*	\$ 849,145.50*	\$ 702,375.10*	\$ 522,335.06*	\$ 481,785.72*	\$ 111,264.32	\$ 10,721.85	\$ 277,006.65	\$ 821,862.11

*Denotes Loss

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES
FOR THE 10 YEAR PERIOD JULY 1, 1948 TO JUNE 30, 1958

Increase or Decrease *

	Total	Land	Buildings Structures & Improvements	Equipment	Total	Land	Buildings Structures & Improvements	Equipment
GENERAL GOVERNMENT								
PUBLIC SAFETY, incl. City Hall	\$ 888,150.18	\$ 134,432.83*	\$ 237,291.80	\$ 1,085,291.21	\$ 10,168,818.98	\$ 1,798,521.80	\$ 4,352,795.09	\$ 4,011,532.09
Police Department	6,755,913.48	106,048.36	5,684,607.05	1,108,288.07	19,910,076.08	1,002,653.77	13,896,653.13	5,010,169.11
Fire Department	2,165,229.42	608,398.89	648,735.78	1,188,094.75	6,298,821.76	1,379,178.99	2,611,911.36	1,301,728.82
Department of Electricity	156,713.69		71,129.13	85,614.56	1,043,213.09	144,000.00	795,082.53	204,336.56
HOUSING								
Streets, Tunnels, Bridges, etc.	42,789,969.11	5,017,715.15	37,379,603.63	361,649.63	108,991,465.19	13,789,225.54	91,719,593.97	188,735.98
Apartment Plant	413,333.60		413,333.60		1,497,711.66		1,497,711.66	141,124.57
Public Street Parking	2,644,931.88	2,593,079.10	50,992.71		2,604,981.81	2,593,079.10	58,992.71	
SANITATION								
Sanitary & Sewage Disposal Plants	36,193,353.88	81,030.18	35,813,328.26	298,995.14	63,693,551.57	1,759,499.10	61,432,153.08	503,298.39
Street Cleaning Department	359,273.04		359,273.04		791,593.57			791,583.57
Garbage Incinerator					80,112.60	15,000.00	65,112.60	
HEALTH CONSERVATION								
Hastler Health Home	130,955.09		65,760.15	65,194.94	1,389,850.91	29,144.09	1,179,510.04	180,888.17
Evans Center for Health Bldg.	225,821.65		735.79	225,086.86	1,433,865.73	155,013.49	908,714.20	357,108.04
Director of Health Center	112,508	112,508			95,083.51	14,335.00	66,618.18	14,330.36
Other	59,123.40*	134,256.15*	71,579.38	3,553.37	225,362.42	9,483.85	85,518.18	130,330.19
HOSPITALS								
San Francisco Hospital	2,928,612.60	19,630.00*	2,313,569.49	634,673.11	9,145,591.62	674,926.97	7,253,154.62	1,527,510.03
Emergency Hospitals	75,336.18		389.25	74,946.93	344,067.06	10,999.70	83,358.49	249,708.96
PUBLIC WELFARE								
Legion Honda Home	4,710,305.49	100.00*	4,381,098.06	329,376.53	9,800,884.00	25,062.15	8,403,613.47	962,208.38
San Francisco Department	189,522.65		63,911.09	126,610.99	515,752.09	137,500.00	224,111.09	153,841.00
CORRECTIONS								
County Jail	34,222.99		26,031.70	8,191.29	893,915.82	34,156.52	826,286.71	29,502.59
Juvenile Detention Home - Old	14,791.11		34,818.50	9,942.91	368,115.81	10,310.00	215,111.16	112,821.68
Youth Guidance Center	4,315,725.02		4,207,981.67	108,743.35	4,393,624.97	50,100.00	4,234,461.68	109,113.25
Juvenile Log Cabin Ranch	269,376.79		244,209.37	25,167.42	3,153,535.13	25,110.69	344,077.53	141,245.1
SCHOOLS								
	59,868,528.55	3,774,437.42	50,092,137.78	6,174,953.35	113,949,411.96	14,224,132.48	86,083,427.44	10,844,882.04
LIBRARIES								
	948,279.22	22,391.44	791,949.94	133,937.84	4,464,836.74	433,023.19	2,099,422.57	1,931,390.98
RECREATION								
Playgrounds	10,891,498.06	624,116.54	9,886,755.07	443,596.45	15,430,153.30	3,579,615.74	11,181,799.33	668,718.23
Museums, Art Galleries, etc.	754,720.56		617,120.97	137,599.59	2,413,599.59	1,800,210.36	381,389.79	348,779.45
War Memorial & Opera House	1,928,821.55		3,580,378.45	1,651,557.00	4,400,914.55	1,651,557.00	1,651,557.00	1,651,557.00
Public Amusement Places	4,228,821.55	169,036.44	3,580,378.45	379,441.96	31,004,173.77	21,012,722.79	4,800,914.29	836,053.65
Auditoriums	280,091.47		250,154.40	29,636.67	2,586,384.18	701,313.69	1,777,313.69	107,603.46
Golf Links	1,113,115.07	715,205.48	367,909.59		1,974,225.97	715,205.48	1,226,020.49	
Kearney Stadium	197,217.96	125,822.68	371,395.28		1,281,334.51	222,831.48	1,058,503.03	
Exhibit Hall	169,304.97		157,170.69	12,134.28	169,304.97		157,170.69	12,134.28
OTHER								
Central Warehouse & Corporation Yard	1,038,364.77	320,616.17	717,748.30	447.65	1,377,763.94	168,1459.64	844,822.81	8,481.45
City Hall	1,038,364.77		447.65		20,679.14	15,525.00	1,154.14	
Miscellaneous	432,110.69	122,786.81*	211,892.69	340,014.78	808,221.79	81,739.98	295,448.84	133,032.97
TOTAL	\$195,618,387.76	\$13,793,611.13	\$158,067,729.53	\$13,757,047.10	\$424,252,367.39	\$65,514,803.45	\$325,991,528.08	\$32,716,036.26

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES - BY SOURCE OF FUNDS
FOR THE 10 YEAR PERIOD JULY 1, 1948 TO JUNE 30, 1958

SOURCE OF FUNDS:	Total	Land	Buildings, Structures, & Improvements	Grand Total
GENERAL FUND:				
General Fund	\$ 12,933,712.66	\$ 313,178.86	\$ 6,506,786.76	\$ 6,113,147.02
Recreation - Park	3,517,461.58	2,200,538.79	2,000,739.50	2,986,126.51
Library	169,759.43	23,878.19	394,375.09	76,506.15
War Memorial	141,832.37		11,315.26	3,147.11
California Palace of the Legion of Honor	169,377.65		119,873.88	19,504.37
de Young Memorial Museum	169,002.95		126,659.14	64,373.51
Publicity and Advertising	300.00			300.00
San Francisco Municipal Improvement	11,609,349.97	3,582,191.97	8,035,102.01	12,617,293.95
Special Road Improvement	10,129,215.47	929,631.15	9,332,038.51	16,710,881.71
San Francisco Unified School District	10,512,742.94	751,684.01	11,719,580.93	14,011,176.00
Special Accumulative Building Fund - Schools	166,830.41		57,183.91	169,517.20
Child Care Centers	169,517.20	169,646.50	275,681.76	
Capital Improvements	275,681.76			
	\$ 53,025,121.75	\$ 6,191,101.47	\$ 33,989,338.55	\$10,111,381.33
CAPITAL FUNDS:				
Real Property - General City	\$ 1,316,121.89*	\$ 1,101,131.05*	\$ 239,290.83*	
Real Property - S.F.U.S.D.	31,513.37	133,920.56	102,372.19*	
1927 Boulevard Bond	159,015.49	1,101.15*	133,119.14	
1931 Sewer Bonds	15,838.85	30.00	15,808.85	
1938 Hospital Bonds	3,354.55		4,354.55	
1941 Fire Protection Bonds	17,859,629.31		17,911,633.85*	\$ 330,204.52
1941 Street Improvement Bonds	11,832,970.78	6,097.65*	11,191,931.01	3,852.91
1941 Street Improvement Bonds	17,855,960.93		17,514,211.05	3,336.35
1947 Recreation Bonds	11,642,123.90	308,133.53	10,586,790.50	267,916.10
1947 Off-Street Parking Bonds	2,870,696.26	1,075,633.40	58,902.71	161,815.24
1948 Sewage Treatment Bonds	11,149,821.03	2,513,811.15	11,333,086.21	2,083,960.14
1948 School Bonds	18,398,175.90	950,830.23	15,363,385.43	3,984,820.28
1952 Firehouse Bonds	4,179,651.72	229,161.23	3,986,324.10	81,127.45
1951 Street Bonds	2,689,562.37		2,781,833.86	57,36
1951 Street Bonds	1,222,917.72	10,611.15	1,185,726.11	37,191.61
1951 San Francisco Hospital Bonds	215,317.19		235,317.19	
1955 Playground and Recreation Centers Bonds	1,509,312.15	2,053.51	1,505,250.11	2,028.53
1956 Hall of Justice Bonds	1,201,159.83	786,658.89	1,147,194.74	616.20
1956 School Bonds	179,733.72	225,351.02	251,359.70	
	\$132,239,002.95	\$ 5,531,216.90	\$123,795,567.93	\$ 2,912,218.12
TRUST FUNDS:				
State Highway	\$ 2,338,815.13	\$ 55,992.76	\$ 2,282,822.65	\$ 117.65
Retirement System	117.65			
Sigmund Stern Donation	15,000.00			
	\$ 2,351,263.06	\$ 70,992.76	\$ 2,282,822.65	\$ 117.65
TOTAL ADDITIONS	\$135,618,387.76	\$13,793,611.13	\$128,067,729.53	\$13,751,047.10

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO
ASSESSMENT ROLLS
Fiscal Years 1948-49 to 1958-59

	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject To City & Co. Ad Valorem Rate	Rate	Solvent Credits Taxed @ 10¢ per \$100	Total Roll
1948-49 Unsecured - City and County Assessor....			176,254,123	2,170,550	174,083,573	5.62	388,793,008	562,876,581
Secured - City and County Assessor.....	333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	8,097,591	737,450,815
Secured - State Board of Equalization.....	11,566,170	49,385,230	35,695,010	.....	96,446,410	6.09	33,209,320	129,855,730
Total.....	\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$430,099,919	\$1,430,183,126
1949-50 Unsecured - City and County Assessor....			187,081,075	2,368,931	184,712,144	6.09	413,302,218	598,014,362
Secured - City and County Assessor.....	338,327,522	447,097,465	7,996,786	39,773,711	753,648,062	5.66	10,463,329	764,111,391
Secured - State Board of Equalization.....	11,634,050	60,688,540	40,147,520	.....	112,470,110	5.66	34,463,430	146,933,540
Total.....	\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316		\$458,228,977	\$1,509,059,293
1950-51 Unsecured - City and County Assessor....			174,987,355	2,460,275	172,527,080	5.66	446,958,945	619,486,025
Secured - City and County Assessor.....	338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	6.29	7,389,121	781,698,378
Secured - State Board of Equalization.....	11,594,320	64,845,380	38,418,540	.....	114,858,240	6.29	41,805,700	156,663,940
Total.....	\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577		\$496,153,766	\$1,557,848,343
1951-52 Unsecured - City and County Assessor....			199,089,451	2,242,564	196,846,890	6.29	541,279,205	738,126,095
Secured - City and County Assessor.....	340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	6.19	9,174,744	809,568,550
Secured - State Board of Equalization.....	15,762,340	66,620,930	41,853,110	.....	124,236,380	6.19	58,641,660	182,878,040
Total.....	\$356,201,420	\$559,588,370	\$254,433,380	\$48,746,094	\$1,121,477,076		\$609,095,609	\$1,730,572,685
1952-53 Unsecured - City and County Assessor....			220,812,645	2,086,937	218,725,708	6.19	571,045,856	779,771,564
Secured - City and County Assessor.....	348,660,965	530,992,235	12,794,831	44,981,574	847,466,457	5.67	8,388,619	855,855,076
Secured - State Board of Equalization.....	16,714,810	67,703,770	44,590,910	.....	129,009,490	5.67	50,655,040	179,664,530
Total.....	\$365,375,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,655		\$630,089,515	\$1,825,291,170
1953-54 Unsecured - City and County Assessor....			232,302,098	2,014,395	230,287,703	5.67	598,586,730	828,874,433
Secured - City and County Assessor.....	350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	5,772,285	863,501,023
Secured - State Board of Equalization.....	16,799,640	68,685,230	47,872,160	.....	133,357,030	6.27	59,152,340	192,509,370
Total.....	\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471		\$663,511,355	\$1,884,884,826
1954-55 Unsecured - City and County Assessor....			233,165,805	2,385,376	230,780,429	6.27	658,769,128	889,549,557
Secured - City and County Assessor.....	351,797,115	562,069,670	9,133,322	53,599,964	869,400,143	6.85	11,636,238	881,036,381
Secured - State Board of Equalization.....	16,750,680	72,376,320	49,673,340	.....	138,800,340	6.85	55,227,520	194,027,860
Total.....	\$368,547,795	\$634,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912		\$725,632,826	\$1,964,613,798
1955-56 Unsecured - City and County Assessor....			235,577,529	2,253,342	233,324,187	6.85	715,284,484	948,608,671
Secured - City and County Assessor.....	353,884,456	582,012,805	9,090,434	54,527,921	890,459,774	7.02	7,918,999	898,378,773
Secured - State Board of Equalization.....	16,950,530	74,539,330	48,923,710	.....	140,413,570	7.02	58,884,680	199,298,250
Total.....	\$370,834,986	\$666,552,135	\$293,591,673	\$56,781,263	\$1,264,197,531		\$782,088,163	\$2,046,285,494
1956-57 Unsecured - City and County Assessor....			251,560,750	2,791,079	248,769,671	7.02	796,294,793	1,045,064,164
Secured - City and County Assessor.....	353,996,820	606,234,380	8,902,349	57,862,613	911,270,936	7.06	8,651,591	919,922,527
Secured - State Board of Equalization.....	18,011,480	77,302,960	50,165,830	.....	145,480,290	7.06	54,914,560	200,394,850
Total.....	\$372,008,300	\$683,537,360	\$310,628,929	\$60,653,692	\$1,305,520,897		\$859,860,944	\$2,165,381,841
1957-58 Unsecured - City and County Assessor....			263,114,805	3,562,157	259,552,648	7.06	838,652,023	1,098,204,671
Secured - City and County Assessor.....	356,155,315	622,670,687	10,275,298	59,422,666	929,678,634	7.37	9,241,983	938,920,617
Secured - State Board of Equalization.....	19,902,920	79,799,130	50,925,980	.....	150,628,030	7.37	79,602,310	230,230,340
Total.....	\$376,058,235	\$702,469,817	\$324,316,083	\$62,984,823	\$1,339,859,312		\$927,496,316	\$2,267,355,628
1958-59 Unsecured - City and County Assessor....			267,120,112	4,380,414	262,739,698	7.37	544,305,649	807,045,347
Secured - City and County Assessor.....	355,052,835	638,301,790	8,886,359	60,964,309	941,276,675	7.55	2,776,669	944,053,344
Secured - State Board of Equalization.....	19,745,310	89,209,890	51,934,510	.....	160,889,710	7.55	26,533,800	187,423,510
Total.....	\$374,798,145	\$727,511,680	\$327,940,981	\$65,344,723	\$1,364,906,083		\$573,616,118	\$1,938,522,201

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1949-50 to 1958-59

	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59
General Fund - Charter Limit \$1.65.....	1.261335	1.288331	1.181879	1.100226	1.127311	1.026134	.976796	1.118449	1.243634	1.111899
General Fund - Other Necessary Expenditures Not Limited.....	1.320391	1.481504	1.446522	1.351770	1.738385	2.111081	2.202125	2.197722	2.202347	2.280775
Unified School District.....	1.299661	1.562837	1.702285	1.608920	1.682564	1.569888	1.754236	1.972106	2.643149	1.822648
Recreation.....	.126423	.....	.....	.....	.....	.....	.....	.....	.....	.....
Park.....	.203699	.....	.....	.....	.....	.....	.....	.....	.....	.....
Recreation and Park.....	.....	.333286	.308968	.304406	.333419	.308652	.342745	.386349	.380491	.446001
Library.....	.079214	.103886	.083429	.084568	.086696	.093976	.103168	.101886	.110176	.113349
Employees' Retirement.....	.761183	.728602	.768251	.727307	.774782	.868473	.858667	.942984	.993125	.959527
Bond Interest and Redemption.....	.232312	.257541	.225908	.166542	.184849	.309244	.287207	.020527	.078257	.059917
de Young Museum.....	.019540	.041135	.020559	.025020	.035008	.023888	.025787	.031897	.024192	.027594
California Palace of the Legion of Honor.....	.015458	.015651	.017172	.016888	.018072	.018568	.017771	.018213	.018806	.018640
War Memorial.....	.017742	.021101	.016755	.017447	.017548	.018690	.018530	.021774	.022137	.022564
Publicity and Advertising.....	.026161	.026098	.024423	.022763	.022529	.021227	.020999	.020228	.019763	.019423
Tax Judgments.....	.....	.....	.....	.....	.....	.....	.002842	.....	.....	.....
Child Care Centers.....	.....	.....	.008818	.014731	.016049	.008877	.014446	.015999	.019054	.014711
Special Election Fund.....	.....	.000100	.....	.000267	.....	.....	.....	.....	.....	.....
Bay Area Air Pollution Control Disr.....	.....	.....	.....	.....	.....	.....	.....	.004128	.008536	.009394
Lighting Public Streets and Buildings..	.093146	.103213	.096888	.095479	.106698	.103809	.099317	.104257	.079450	.084835
Airport.....	.203735	.190286	.118155	.137666	.116020	.161256	.040926	.004129	.....	.....
Municipal Railway.....	.....	.119469	.170008	.....	.....	.206237	.254298	.099352	.126883	.339123
P. U. C. Purchase of California St. Cable R. Co. Co.....	.....	.016870	.....	.....	.....	.....	.....	.....	.....	.....
Contribution to Purchase Butano Forest.....	.....	.....	.....	.....	.010090	.....	.....	.....	.....	.....
Total.....	5.66	6.29	6.19	5.67	6.27	6.85	7.02	7.06	7.37	7.533

S. F. Bay Area Rapid
Transit District

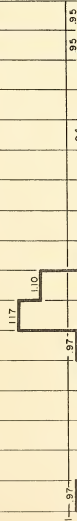
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CITY AND COUNTY OF SAN FRANCISCO PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING

% 1942 1943 1944 1945 1946 1947 1948 1949 1950 1951 1952 1953 1954 1955 1956 1957 1958

2



CITY AND COUNTY OF SAN FRANCISCO AMOUNTS OF TAX DELINQUENCIES Fiscal Years 1931-32 to 1957-58

Fiscal Year	Amount of Levy	Uncollected at June 30, Amount	%	Uncollected at June 30, Amount	%
1931-32	\$32,714,463	\$ 718,830	2.20	\$15,789	.05
1932-33	31,752,726	1,706,581	5.37	228,755	.72
1933-34	26,583,270	1,316,809	4.95	159,910	.60
1934-35	28,808,183	988,096	3.33	25,373	.09
1935-36	30,634,662	612,784	2.00	23,349	.06
1936-37	30,986,643	449,704	1.45	19,264	.06
1937-38	31,994,075	483,081	1.50	29,645	.09
1938-39	33,337,812	442,132	1.32	18,125	.05
1939-40	32,575,922	390,407	1.19	27,053	.08
1940-41	35,162,785	367,339	1.04	41,753	.12
1941-42	36,469,225	354,994	.97	66,132	.18
1942-43	37,469,083	268,158	.76	60,436	.16
1943-44	36,797,771	254,508	.69	48,353	.13
1944-45	39,647,406	265,652	.66	32,426	.08
1945-46	41,184,389	380,975	.93	36,746	.09
1946-47	47,374,328	457,779	.97	47,916	.10
1947-48	51,718,354	602,680	1.17	89,066	.17
1948-49	60,779,270	669,631	1.10	100,095	.16
1949-50	60,896,563	567,617	.93	82,228	.14
1950-51	66,522,057	537,393	.81	68,553	.10
1951-52	70,596,215	561,703	.80	98,863	.14
1952-53	69,947,162	539,325	.77	97,118	.14
1953-54	76,082,542	716,632	.94	127,439	.17
1954-55	84,509,028	724,612	.86	161,023	.19
1955-56	89,391,123	799,165	.89	244,939	.27
1956-57	93,280,375	882,671	.95	380,224	.41
1957-58	99,165,664	942,150	.95		

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
TAX YIELD
FISCAL YEAR 1958 - 59

	<u>Valuation</u>	<u>Tax Yield</u>	<u>Rate per \$100</u>
Taxes on Property Assessed by City & County:			
Real Estate, Improvements, and			
Secured Personal Property:			
Real Estate and Improvements	\$ 993,354,625		
Tangible Personal Property	8,886,359		
Less Veterans' and Welfare Exemptions	<u>60,964,309</u>		
	941,276,675	\$ 71,066,710.16	7.55
Solvent Credits	<u>2,776,669</u>	<u>2,776.28</u>	.10
Total	944,053,344	71,069,486.44	
Unsecured Personal Property (Collected):			
Tangible Personal Property	120,453,771		
Less Veterans' and Welfare Exemptions	<u>4,028,048</u>		
	116,425,723	8,580,617.20	7.37
Solvent Credits	<u>343,319,418</u>	<u>343,321.74</u>	.10
Total	<u>459,745,141</u>	<u>8,923,938.94</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	146,666,341		
Less Veterans' and Welfare Exemptions	<u>352,366</u>		
	146,313,975	10,783,360.76	7.37
Solvent Credits	<u>200,986,231</u>	<u>200,987.29</u>	.10
Total	<u>347,300,206</u>	<u>10,984,348.05</u>	
Total Assessed by City and County Assessor	<u>1,751,098,691</u>	<u>90,977,773.43</u>	
Taxes on Property Assessed by State Board of Equalization:			
Real Estate and Improvements	108,955,200		
Tangible Personal Property	51,934,510	12,147,173.20	7.55
Solvent Credits	<u>26,533,800</u>	<u>26,533.80</u>	.10
Total Assessed by State Board of Equalization	<u>187,423,510</u>	<u>12,173,707.00</u>	
Total of above Assessments	<u>\$1,938,522,201</u>		
Total Tax Yield		103,151,480.43	
Reassessments		<u>673.60</u>	7.37
TOTAL TAX YIELD		<u>\$103,152,154.03</u>	

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF BONDING CAPACITY
AS AT JUNE 30, 1958

(Based upon 1958-59 Assessment Roll)

(Excluding Bonding Capacity of S.F. Unified School District) (1)

Maximum Limit:

12% of the 1958-59 Assessment Roll	(\$1,938,522,201)	\$232,622,664
------------------------------------	-------------------	---------------

Bonded Debt Unmatured June 30, 1958:

Total	\$ 220,400,000	
Exempt From 12% Limit (2)	52,626,000	167,774,000

Limit of Future Bond Sales (Subject to 12% Limit)	\$ 64,848,664
---	---------------

Unissued (Unsold) Bonds, June 30, 1958:

	Subject to 12% Limit	Exempt from 12% Limit	Total
1947 Street Improvements	\$ 1,400,000		
1952 Firehouse	550,000		
1954 Sewers	5,645,000		
1954 San Francisco Hospital	2,830,000		
1955 Playgrounds & Recreation Centers	4,000,000		
1955 Hetch Hetchy Power	27,000,000		
1956 Hall of Justice	16,500,000		
1956 Schools	21,000,000		
1956 Airport	14,800,000		
1958 Recreation and Park	1,575,000		
	\$ 95,300,000	-0-	\$ 95,300,000

- (1) The City and County of San Francisco is a municipal corporation known by name as San Francisco. It performs all functions of a city and a county.

The San Francisco Unified School District is the only school district in San Francisco, with geographic boundaries coterminous with the boundaries of San Francisco. It performs all the functions of elementary, high school, and junior college school districts.

The Education Code of the State of California, Section 4714, provides that any unified school district maintaining a junior college may issue bonds not to exceed 15 percent of the taxable property of the district as shown by the last equalized assessment roll. To date the School District has not sold any bonds. All items designated "School Bonds" are general obligation bonds of the City and County of San Francisco, for school purposes.

- (2) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:
- (a) For water supply, storage or distribution purposes.
 - (b) For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (None issued)

ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1958

General City, Including
S. F. Unified School District

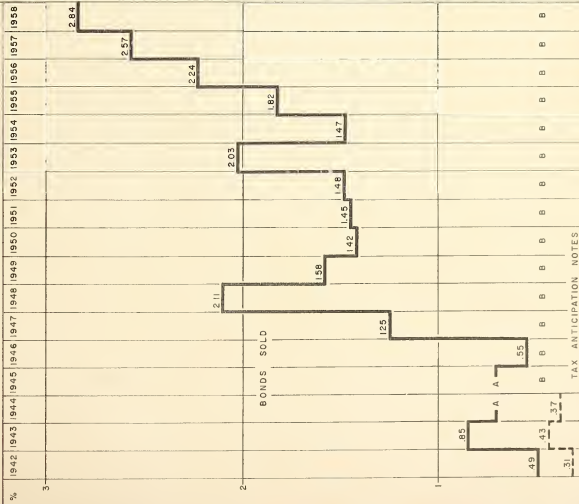
Public Service Enterprises

Fiscal Year	Grand Total	Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1958-59	\$ 25,500,005.00	\$ 12,962,137.50	\$ 10,106,000	\$ 2,556,137.50	\$ 12,537,567.50	\$ 9,284,000	\$ 3,253,567.50
1959-60	24,922,196.25	12,780,398.75	10,511,000	2,269,398.75	12,111,797.50	9,164,000	2,977,797.50
1960-61	23,732,456.25	12,633,918.75	10,621,000	2,012,918.75	11,098,507.50	8,399,000	2,699,507.50
1961-62	23,912,961.25	12,567,411.25	10,786,000	1,781,111.25	11,315,550.00	8,915,000	2,430,550.00
1962-63	24,133,388.75	12,445,653.75	10,885,000	1,560,653.75	11,687,735.00	9,539,000	2,118,735.00
1963-64	22,989,675.00	12,023,060.00	10,687,000	1,336,060.00	10,966,615.00	9,106,000	1,860,615.00
1964-65	21,119,350.00	11,110,725.00	10,292,000	1,118,725.00	9,738,625.00	8,111,000	1,597,625.00
1965-66	18,662,686.25	11,079,110.00	10,161,000	918,110.00	7,583,276.25	6,203,000	1,380,276.25
1966-67	13,867,793.75	7,310,962.50	6,600,000	710,962.50	6,556,831.25	5,360,000	1,196,831.25
1967-68	13,234,723.75	6,855,125.00	6,300,000	555,125.00	6,379,598.75	5,360,000	1,019,598.75
1968-69	11,086,085.00	5,171,912.50	5,050,000	121,912.50	5,611,172.50	4,770,000	811,172.50
1969-70	9,760,102.50	4,670,862.50	4,365,000	305,862.50	5,089,210.00	4,110,000	679,210.00
1970-71	8,777,520.00	3,939,337.50	3,710,000	199,337.50	4,838,182.50	4,310,000	528,182.50
1971-72	6,153,125.00	2,728,950.00	2,625,000	103,950.00	3,121,175.00	3,020,000	101,175.00
1972-73	4,110,575.00	1,753,650.00	1,720,000	33,650.00	2,356,925.00	2,045,000	311,925.00
1973-74	1,772,050.00				1,772,050.00	1,525,000	217,050.00
1974-75	1,717,975.00				1,717,975.00	1,525,000	192,975.00
1975-76	1,663,900.00				1,663,900.00	1,525,000	138,900.00
1976-77	1,609,825.00				1,609,825.00	1,525,000	81,825.00
1977-78	1,555,750.00				1,555,750.00	1,525,000	30,750.00
	\$260,312,111.3.75	\$130,633,845.00	\$111,719,000	\$15,881,815.00	\$129,678,598.75	\$105,651,000	\$24,027,598.75

Unsold bonds at June 30, 1958 in the amount of \$95,300,000 are not included.

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

ON BONDS AND TAX ANTICIPATION NOTES
SOLD DURING FISCAL YEARS ENDING

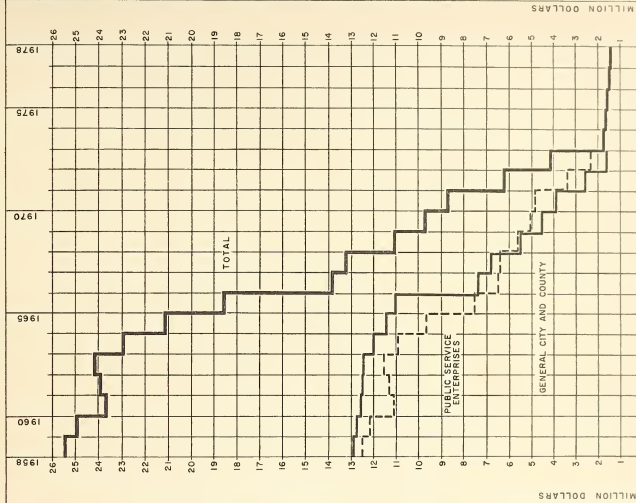
A - No Bonds Sold

B - No Tax Anticipation Notes Sold

H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1949-50 to 1958-59

FISCAL YEAR ENDED JUNE 30

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
SOURCE OF REVENUES										
General City Issues										
Taxes	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536	\$ 3,544,397	\$ 3,682,287	\$ 931,400	\$ 898,700	\$ 866,000
Capital Improvement Fund	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189	5,056,962	8,396,295	9,633,261	12,703,938
Surplus	136,932	.....	.....	.....	.....	.....	.....	.....	.....	.....
	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586	8,739,249	9,327,695	10,531,961	13,569,938
Public Service Enterprises:										
Utility Earnings:										
Water Department	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397	6,880,615	6,743,649	6,683,871	7,094,581
Hetch Hetchy Project	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594	705,299	610,130	1,011,915	1,339,249
Municipal Railway	1,231,388	315,722	.....	1,849,107	1,861,459	.....	.....	.....	.....	.....
Airport	.....	124,584	366,099	437,912	663,500	433,830	1,502,010	1,196,939	1,946,788	2,311,853
Capital Improvement Fund (via Utility)	1,166,765	968,202	620,151	.....	.....	.....	.....	2,992,167	1,826,756	1,932,160
Taxes (via Utility)	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892	3,753,012	2,634,376	145,442	.....	.....
	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833	11,722,300	11,688,327	11,469,330	12,677,843
Total Budgeted Requirements	\$17,760,577	\$19,082,099	\$18,858,697	\$18,922,395	\$19,065,544	\$20,403,419	\$20,461,549	\$21,016,022	\$22,001,291	\$26,247,781

Office of the Controller



REPORT ON EXAMINATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 1958

RESIDENT PARTNERS

HAROLD A. KELLOGG, C.P.A.
 ROBERT H. PERRY, C.P.A.
 LEONARD M. TICE, C.P.A.
 ALFRED W. GALLAGHER, C.P.A.

F. W. LAFRENTZ & Co.

CERTIFIED PUBLIC ACCOUNTANTS

525 MARKET STREET - SAN FRANCISCO 5

December 1, 1958

NEW YORK WASHINGTON
 CHICAGO NEW ORLEANS
 BOSTON SAN FRANCISCO
 ATLANTA LOS ANGELES
 RICHMOND OAKLAND
 BALTIMORE SEATTLE
 CLEVELAND DALLAS

CORRESPONDENTS
 IN FOREIGN COUNTRIES

The Honorable Board of Supervisors
 City and County of San Francisco
 San Francisco, California

Gentlemen:

In accordance with your resolution No. 963-58, we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1958. The financial statements, attached hereto, are as follows:

Exhibit

- A Combined proprietary balance sheet, June 30, 1958
- B Proprietary balance sheet, Public Service Enterprises, June 30, 1958
- C Statement of revenues, expenditures and current surplus, General City, June 30, 1958
- D Statement of revenues, expenses and surplus, Public Service Enterprises, June 30, 1958
- E Statement of capital surplus, General City, June 30, 1958
- F Summary of properties, June 30, 1958
- G Statement of bonded indebtedness, June 30, 1958
- Notes to financial statements, June 30, 1958
- Individual fund balance sheets, June 30, 1958
- H Summary
- I Current funds
- J Capital
- K Retirement and other public trust funds
- L Private trust funds
- M Assessment, redemption and agency funds
- N Public Service Enterprises
- O Reconciliation of proprietary balance sheet with fund balance sheets, June 30, 1958

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller, but are maintained in the offices of the respective enterprises. Examination of these accounts are made by other auditors as follows:

By other independent public accountants:
Municipal Railway of San Francisco
San Francisco Water Department and Hetch Hetchy Project

By the Controller's Utilities Audit Division:
Public Utilities Commission
San Francisco Airport

Our examination of the financial statements relating to the Office of the Controller was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances. We did not extend our tests to records of other offices. However, in the preparation of this report, we have necessarily incorporated data from reports prepared in connection with examinations made as of June 30, 1958, by other auditors as follows:

By other independent accountants:
San Francisco Unified School District (a separate political entity)

By the Controller's General Audit Division:
Cash, securities and accounts of the Treasurer's Office

We have also included certain data with respect to the City and County of San Francisco Employees' Retirement System. The accounts of the Employees' Retirement System are being examined by other independent accountants and at the date of this report, their examination had not been completed.

OPINION

In our opinion, based on the scope of examination previously described, the accompanying statements, together with the notes thereto, present fairly the position

at June 30, 1958, and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Yours very truly,

F. W. Lafrentz + Co.

CITY AND COUNTY OF SAN FRANCISCO

AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1958

.....General City and County.....						
	<u>A S S E T S</u>	Public Service Enterprises	Total	Current Funds	Capital Funds	Trust and Assessment Funds
Fixed capital:						
Properties - Exhibit F	\$764,413.834	\$340,161.467	\$424,252.367		\$424,252.367	
Less reserve for depreciation	(106,521.661)	(106,521.661)				
	<u>\$657,892.173</u>	<u>\$233,639.806</u>	<u>\$424,252.367</u>		<u>\$424,252.367</u>	
Cash:						
On deposit with Treasurer	\$144,741.032	\$ 48,843.105	\$ 95,897.927	\$45,662.502	\$ 34,220.726	\$ 16,014.699
Cash in transit	2,500.430	23,655	2,476,775	51,750		2,476,775
Imprest funds	104,400	52,650	51,750			
	<u>\$147,345.862</u>	<u>\$ 48,919.410</u>	<u>\$ 98,426.452</u>	<u>\$45,714.252</u>	<u>\$ 34,220.726</u>	<u>\$ 18,491.474</u>
Accounts receivable:						
Taxes receivable, current year	\$ 942,151	\$ 942,151	\$ 942,151	\$ 942,151		
Taxes receivable, prior years	2,350,002	2,350,002	2,350,002	2,350,002		
Penalties, costs and interest	279,752	279,752	279,752	279,752		
Franchise taxes	1,797,814	1,797,814	1,797,814	1,797,814		
Federal and state subventions	4,364,220	4,364,220	4,364,220	4,364,220		
Other accounts receivable	8,672,303	8,672,303	8,672,303	8,672,303		
	<u>\$18,406,242</u>	<u>\$ 2,062,434</u>	<u>\$ 16,343,808</u>	<u>\$14,597,231</u>		
Less reserves for:						
Unsecured delinquent taxes and penalties	\$ 2,424,556	\$ 2,424,556	\$ 2,424,556	\$ 2,424,556		
Other accounts receivable	3,216,016	89,788	3,126,228	3,126,228		
	<u>\$5,640,572</u>	<u>\$89,788</u>	<u>\$ 5,550,784</u>	<u>\$ 5,550,784</u>		
	<u>\$12,765,670</u>	<u>\$ 1,972,646</u>	<u>\$10,793,024</u>	<u>\$ 9,046,447</u>		
Federal aid for public improvements:						
Grants receivable (estimated in part)	\$ 337,757	\$ 212,703	\$ 125,054	\$ 125,054		
Less reserve for grants receivable (estimated)	125,054		125,054	125,054		
	<u>\$ 212,703</u>	<u>\$ 212,703</u>	<u>\$ -0-</u>	<u>\$ -0-</u>		
Investments:						
Securities	\$209,764.689	\$209,764.689	\$209,764.689			\$209,764.689
Other	49,340	49,340				49,340
	<u>\$209,814.029</u>	<u>\$209,814.029</u>				<u>\$209,814.029</u>
Lease guarantee and other deposits	\$ 128,475	\$ 128,475	\$ 128,475			\$ 128,475
Interfund accounts (contra)	\$ 5,161,992	\$ 862,281	\$ 4,299,711	\$ 3,277,511		\$ 1,022,200
Deferred charges:						
Materials and supplies	\$ 2,465,951	\$ 1,300,771	\$ 1,165,180	\$ 1,165,180		\$ 125,605
Other deferred charges	41,855.834	21,628.398	20,227.436	8,183.060		\$ 125,605
	<u>\$44,321,785</u>	<u>\$22,929,169</u>	<u>\$ 21,392,616</u>	<u>\$ 9,348,240</u>		<u>\$ 11,918,771</u>
Total	<u>\$1,077,642,689</u>	<u>\$308,536,015</u>	<u>\$769,106,674</u>	<u>\$67,386,450</u>	<u>\$470,391,864</u>	<u>\$231,328,364</u>

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1958

	.....General City and County.....					Trust and Assessment Funds	
	Total	Public Service Enterprises	Total	Current Funds	Capital Funds		
Bonded debt:							
Unmatured - Exhibit G	\$ 220,400,000	\$105,651,000	\$114,749,000	\$ 200,000	\$114,549,000		
Matured and unpaid	<u>29,200</u>	<u>22,200</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>		
	\$ 220,429,200	\$105,673,200	\$114,756,000	\$ 207,000	\$114,556,000		
Bond interest:							
Accrued, not due	\$ 1,894,517	\$ 1,179,576	\$ 714,941	\$ 714,941			
Matured and unpaid	<u>65,524</u>	<u>51,094</u>	<u>14,440</u>	<u>14,440</u>			
	\$ 1,960,051	\$ 1,230,670	\$ 729,381	\$ 729,381			
Accounts payable:							
Accounts and contracts payable	\$ 46,304,548	\$ 22,566,034	\$ 23,738,514	\$13,597,744	\$ 9,726,242	\$ 414,528	
Outstanding warrants and payroll deductions	<u>7,593,485</u>	<u>634,662</u>	<u>6,923,823</u>	<u>3,087,947</u>	<u>102,796</u>	<u>3,773,080</u>	
Other accruals, deposits and advances	<u>232,719</u>	<u>232,719</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
	\$ 54,130,752	\$ 23,433,415	\$ 30,662,337	\$16,685,691	\$ 9,829,038	\$ 4,147,608	
Interfund accounts (contra)	<u>5,161,992</u>	<u>1,013,278</u>	<u>4,148,714</u>	<u>1,100,908</u>	<u>2,030,783</u>	<u>1,017,023</u>	
Deferred credits:							
Personal property taxes for year 1958-59	\$ 5,809,753	\$ 760,267	\$ 5,809,753	\$ 5,809,753			
Other deferred credits	<u>3,269,935</u>	<u>760,267</u>	<u>2,509,668</u>	<u>2,509,668</u>	<u>2,509,668</u>	<u>2,509,668</u>	
	\$ 9,079,688	\$ 760,267	\$ 8,319,421	\$ 8,319,421			
Reserves:							
Reserve for accidents	\$ 2,668,251	\$ 2,668,251					\$ 128,475
Other reserves	<u>917,674</u>	<u>754,118</u>	<u>163,556</u>	<u>35,081</u>	<u>35,081</u>	<u>128,475</u>	
	\$ 3,585,925	\$ 3,422,369	\$ 163,556	\$ 35,081			
Trust and assessment fund balances	<u>226,035,254</u>		<u>226,035,254</u>			<u>226,035,254</u>	
Surplus:							
Public Service Enterprises - Exhibit D	\$ 173,002,816	\$173,002,816					
General City - current - Exhibit C	<u>40,308,968</u>		<u>40,308,968</u>	<u>40,308,968</u>	<u>40,308,968</u>	<u>40,308,968</u>	
General City - capital - Exhibit E	<u>343,983,043</u>		<u>343,983,043</u>	<u>343,983,043</u>	<u>343,983,043</u>	<u>343,983,043</u>	
	\$ 557,294,827	\$173,002,816	\$368,292,011	\$40,308,968			
Total	<u>\$1,077,642,689</u>	<u>\$308,536,015</u>	<u>\$769,106,674</u>	<u>\$67,386,450</u>	<u>\$470,391,864</u>	<u>\$231,328,360</u>	

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT B

-1-

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1958

A S S E T S	Total	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Fixed capital:						
In service	\$330,786,257	\$105,061,154	\$36,702,738	\$134,531,030	\$50,568,264	\$3,903,071
Not in service	919,274	860,583		58,691		
Less reserve for depreciation	(106,521,661)	(35,668,301)	(21,606,256)	(39,365,195)	(9,541,903)	
	\$225,183,870	\$70,313,436	\$15,096,482	\$95,224,526	\$40,646,355	\$3,903,071
	8,455,936	1,821,398	35,067	4,086,429	1,750,881	2,161
Under construction	\$233,639,806	\$72,134,834	\$15,131,549	\$100,070,955	\$42,397,236	\$3,905,232
Cash:						
On deposit with Treasurer	\$48,843,105	\$7,186,801	\$2,969,898	\$27,899,911	\$10,459,223	\$37,312
Cash in transit	23,655			23,655		
Imprest funds	52,650	30,000	15,000	4,000	2,500	1,150
	\$48,919,410	\$7,216,801	\$2,984,898	\$27,927,566	\$10,461,723	\$328,462
Accounts receivable:						
Revenues accrued and other receivables	\$2,062,434	\$1,209,406	\$65,212	\$282,072	\$493,499	\$12,245
Less reserve for other receivables	89,788	33,016			44,527	12,245
	\$1,972,646	\$1,176,390	\$65,212	\$282,072	\$448,972	-0-
Federal aid for public improvement:						
Grants receivable	\$212,703				\$212,703	
Interfund accounts:						
Due from General City	\$410,087	\$11,528	\$11,528	\$20,775	\$2,870	\$377,784
Due from Public Service Enterprises (contra)	452,194	12,415	2,950	326,467		107,452
	\$862,281	\$12,415	\$14,518	\$347,242	\$2,870	\$485,236
Deferred charges:						
Materials and supplies	\$1,300,771	\$592,048	\$636,261	\$46,006	\$18,174	\$8,282
Other deferred charges	21,628,398	2,682,707	2,852,215	13,655,397	2,401,530	36,549
	\$22,929,169	\$3,274,755	\$3,488,476	\$13,701,403	\$2,419,704	\$44,831
Total	\$308,536,015	\$83,815,195	\$21,684,613	\$142,329,238	\$55,943,208	\$4,763,761

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT B
-2-

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1958

		Warrants Issued After June 30, 1958		Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
	<u>LIABILITIES</u>	Total						
Bonded debt:								
Unmatured		\$105,651,000		\$20,049,932	\$ 9,036,000	\$ 59,326,068	\$17,239,000	
Matured and unpaid		22,200		16,000	200	6,000		
		<u>\$105,673,200</u>		<u>\$20,065,932</u>	<u>\$ 9,036,200</u>	<u>\$ 59,332,068</u>	<u>\$17,239,000</u>	
Bond interest:								
Accrued, not due		\$ 1,179,576		\$ 292,500	\$ 67,271	\$ 746,944	\$ 72,861	
Matured and unpaid		51,094		6,660	2,128	40,617	1,668	
		<u>\$ 1,230,670</u>		<u>\$ 299,160</u>	<u>\$ 69,399</u>	<u>\$ 787,561</u>	<u>\$ 74,530</u>	
Accounts payable:								
Accounts and contracts payable		\$ 22,566,034	\$2,102,603	\$ 2,604,154	\$ 1,047,238	\$ 14,082,446	\$ 2,587,061	\$ 52,532
Outstanding warrants and payroll deductions		634,662	(2,102,603)	389,531	1,058,508	766,078	415,682	107,466
Accruals due United States Government		13,062			13,062			
Consumers' deposits and construction advances		217,017		215,228		1,789		
Accrued salaries and wages		<u>2,640</u>			<u>2,640</u>			
		<u>\$ 23,433,415</u>	<u>-0-</u>	<u>\$ 3,298,913</u>	<u>\$ 2,121,448</u>	<u>\$ 14,850,313</u>	<u>\$ 3,002,743</u>	<u>\$ 159,998</u>
Interfund accounts:								
Due to General City		\$ 561,084		\$ 137,831	\$ 290,041	\$ 68,283	\$ 48,209	\$ 16,720
Due to Public Service Enterprises (contra)		452,194		75,235	65,011	1,113	79,138	231,697
		<u>\$ 1,013,278</u>		<u>\$ 213,066</u>	<u>\$ 355,052</u>	<u>\$ 69,396</u>	<u>\$ 127,347</u>	<u>\$ 248,417</u>
Deferred credits		<u>\$ 760,267</u>			<u>\$ 39,115</u>		<u>\$ 279,079</u>	<u>\$ 442,073</u>
Reserves:								
Reserve for accidents		\$ 2,668,251		\$ 576,151	\$ 2,668,251	\$ 16,322		
Other reserves		754,118			161,645			
		<u>\$ 3,422,369</u>		<u>\$ 576,151</u>	<u>\$ 2,829,896</u>	<u>\$ 16,322</u>		
Surplus - Exhibit D		<u>\$173,002,816</u>		<u>\$59,361,973</u>	<u>\$ 7,233,503</u>	<u>\$ 67,273,558</u>	<u>\$35,220,509</u>	<u>\$3,913,273</u>
Total		<u>\$308,536,015</u>	<u>-0-</u>	<u>\$83,815,195</u>	<u>\$21,684,613</u>	<u>\$142,329,238</u>	<u>\$55,943,208</u>	<u>\$4,763,761</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

(exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	.....Year Ended..... June 30, 1958	June 30, 1957
REVENUES:		
Property taxes, penalties, interest and costs	\$ 99,074,852	\$ 93,181,568
State and federal subventions	50,802,288	46,695,346
Departmental service charges, etc.	9,562,237	8,757,344
Retail purchase and use tax	13,197,860	11,305,306
Fines, forfeitures, and penalties other than from property taxes	3,094,354	2,937,851
Franchise taxes	371,404	607,282
Licenses	660,576	663,530
Bank interest	1,020,829	699,822
Rentals from non-operating school property	355,342	355,847
Housing authority in lieu of taxes	166,774	129,980
Other	140,254	82,276
Transfer from capital accounts	242,955	429,641
State of California for restoration of Children's Building		5,000
Contribution for cobalt unit, cancer patients, San Francisco Hospital	45,000	
Total revenues	\$178,734,725	\$165,850,793
EXPENDITURES:		
Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government	\$ 12,501,200	\$ 10,787,773
Public safety	25,867,480	24,483,491
Highways	3,770,786	3,569,748
Sanitation	4,016,225	3,683,729
Health conservation	3,343,925	3,208,255
Hospitals	8,608,356	8,139,225
Public welfare	26,997,651	24,472,876
Corrections	2,578,233	2,278,679
Schools	40,743,782	37,832,750
Libraries	1,396,034	1,303,988
Recreation	6,933,718	6,132,717
Civil defense	176,758	230,611
Bond interest	2,297,474	1,835,093
Miscellaneous	18,779	190,333
Total departmental operating expenses, forward	\$139,250,401	\$128,149,268

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	.....Year Ended.....	
	<u>June 30, 1958</u>	<u>June 30, 1957</u>
EXPENDITURES (Continued):		
Total departmental operating expenses, forwarded	\$139,250,401	\$128,149,268
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenues	5,829,651	5,494,473
Bond redemptions	8,492,000	7,407,000
Others	28,869	361,500
Transfers to trust accounts	4,515	130,800
Assessments, Joint Highway District, No. 9	132,000	132,000
Contributions to Public Service Enterprises:		
San Francisco International Airport		1,323,029
Municipal Railway	3,452,414	3,495,329
Public Utilities Commission - heat, light and power bureau	70	188,436
Pension costs, Employees' Retirement System	16,167,712	17,142,220
Miscellaneous	<u>1,503,347</u>	<u>(1,444,921)</u>
Total expenditures	\$174,860,979	\$162,379,214
Net increase in current surplus	<u>\$ 3,873,746</u>	<u>\$ 3,471,579</u>
CURRENT SURPLUS:		
Current surplus as shown at beginning of year, per Controller's report	\$ 36,317,628	\$ 32,612,742
Add auditor's adjustments, preceding year	<u>117,594</u>	<u>350,901</u>
Current surplus at beginning of fiscal year after auditor's adjustment	\$ 36,435,222	\$ 32,963,643
Net increase in current surplus as shown above	<u>3,873,746</u>	<u>3,471,579</u>
Current surplus, end of fiscal year	<u>\$ 40,308,968</u>	<u>\$ 36,435,222</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

STATEMENT OF REVENUES, EXPENSES AND SURPLUS

JUNE 30, 1958

REVENUES AND EXPENSES	Total	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Operating revenues	\$ 47,385,393	\$13,659,044	\$19,842,118	\$ 8,930,849	\$ 3,420,381	\$1,493,001
Operating expenses	<u>42,381,556</u>	<u>9,612,921</u>	<u>22,788,616</u>	<u>5,632,318</u>	<u>2,654,700</u>	<u>1,493,001</u>
Operating income or (loss)	\$ 5,003,837	\$ 3,886,123	\$ (2,946,498)	\$ 3,298,531	\$ 765,681	-0-
Other revenues:						
Interest earned	\$ 79,649	\$ 55,469	\$ 24,180			
Rentals	<u>369,075</u>	<u>340,512</u>		<u>28,563</u>		
Other:	<u>762,133</u>	<u>379,748</u>	<u>147,911</u>	<u>71,779</u>	<u>162,695</u>	
Other expenses:						
Bond interest	\$ 1,210,887	\$ 775,729	\$ 172,091	\$ 100,342	\$ 162,695	
Other	<u>2,294,396</u>	<u>724,963</u>	<u>182,051</u>	<u>1,275,916</u>	<u>111,466</u>	
	<u>190,750</u>	<u>110,905</u>	<u>73,649</u>	<u>11,188</u>	<u>(4,952)</u>	
Net income or (loss)	\$ 2,485,186	\$ 835,868	\$ 255,700	\$ 1,287,104	\$ 106,514	
	<u>\$ 3,729,508</u>	<u>\$ 3,825,984</u>	<u>\$ (3,030,107)</u>	<u>\$ 2,111,769</u>	<u>\$ 821,862</u>	<u>-0-</u>
<u>SURPLUS</u>						
Balance, July 1, 1957	\$165,049,592	\$55,309,789	\$ 6,811,196	\$65,182,547	\$33,803,762	\$3,942,298
Adjustments, 1956-57	<u>(33,581)</u>					<u>(33,581)</u>
Net income or (loss) as above	\$165,016,011	\$55,309,789	\$ 6,811,196	\$65,182,547	\$33,803,762	\$3,908,717
Contributions from General City	<u>3,729,508</u>	<u>3,825,984</u>	<u>(3,030,107)</u>	<u>2,111,769</u>	<u>821,862</u>	
Contributions from other sources	<u>3,452,484</u>	<u>3,452,414</u>				70
Other additions	<u>598,480</u>			<u>13,570</u>	<u>584,910</u>	
	<u>207,122</u>	<u>191,872</u>			<u>9,975</u>	<u>5,275</u>
Deduct:	\$173,003,605	\$59,327,645	\$ 7,233,503	\$67,307,886	\$35,220,509	\$3,914,062
Contributions to Public Service Enterprises		\$ (34,328)		\$ 34,328		\$ 789
Other deductions	<u>789</u>					
	<u>\$ 789</u>	<u>\$ (34,328)</u>		<u>\$ 34,328</u>		<u>\$ 789</u>
Balance, June 30, 1958	<u>\$173,002,816</u>	<u>\$59,361,973</u>	<u>\$ 7,233,503</u>	<u>\$67,273,558</u>	<u>\$35,220,509</u>	<u>\$3,913,273</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

CAPITAL SURPLUS

YEAR ENDED JUNE 30, 1958

Balance, July 1, 1957			\$329,495,350
Add:			
Transfers from current accounts:			
Bond redemptions	\$8,492,000		
Capital additions from revenues	5,829,651		
Other	<u>28,869</u>	14,350,520	
Transfers from trust accounts:			
Capital additions - State Highway Trust		19,473	
Profit on sale of capital assets:			
General City Departments	\$ 90,950		
San Francisco Unified School District	<u>265,457</u>	356,407	
Parking lot rentals:			
1947 off-street parking bonds		14,846	
Contribution for Washington Square benches		1,000	
Miscellaneous credits		<u>2,545</u>	
			\$344,240,141
Deduct:			
Capital funds transferred to current accounts	\$ 242,955		
Adjustment of capital additions from revenues, prior years	<u>14,143</u>	<u>257,098</u>	
Balance, June 30, 1958			<u>\$343,983,043</u>

The accompanying notes to financial statements are an integral part hereof.

AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF PROPERTIES

JUNE 30, 1958

	Total	Land	Structures and Improvements	Equipment
General City and County of San Francisco, Unified School District				
Current year additions, net:				
General Government:				
Civic Center including City Hall	\$ 160,456		\$ 39,206	\$ 121,250
Public Safety:				
Fire Department	925,802	\$ 134,506	536,250	205,046
Police Department	596,881	36,162	394,582	166,137
Department of Electricity	66,631		54,899	11,732
Highways:				
Streets, tunnels, bridges, etc.	3,281,456	489,987	2,792,747	58,722
Asphalt plant	477		477	
Off-street parking	112,590	110,764	1,826	
Sanitation:				
Sewers and sewer disposal plants	1,912,729	(385)	1,872,062	41,052
Street Cleaning Department	45,111			45,111
Health Conservation:				
Hassler Health Home	21,152		20,202	950
Civic Center Health Building	20,962			20,962
Hospitals:				
San Francisco Hospital	895,933		792,787	103,146
Emergency Hospitals	12,072		389	11,683
Public Welfare:				
Laguna Honda Home	2,155,160		2,048,365	106,795
Welfare Department	68,087		29,147	38,940
Corrections:				
County jails	10,241		10,241	
Youth Guidance Center	21,978		9,250	12,728
Juvenile Log Cabin Ranch	121,531		116,887	4,644
Schools	3,706,543	65,847	3,024,971	615,725
Libraries	181,627	(5,101)	159,199	27,529
Recreation:				
Playgrounds	712,151	29,796	584,429	97,926
Museums, art galleries, etc.	70,254		60,473	9,781
War Memorial and Opera House	12,441		12,135	306
Parks and Squares	1,558,034	162,750	1,345,909	49,375
Auditorium	152,524		145,513	7,011
Exhibit Hall	58,884		47,750	12,134
Golf Links	108,425		108,425	
Kezar Stadium	82,364		82,364	
Other:				
Central Warehouse and Corporation Yard	65,391	1,188	64,203	20,880
Miscellaneous	23,173	(770)	3,063	
Prior years' additions	\$ 17,162,060	\$ 1,024,744	\$ 14,347,751	\$ 1,789,565
	<u>407,090,307</u>	<u>64,494,059</u>	<u>311,643,777</u>	<u>30,952,471</u>
Total General City, forward	\$24,252,367	\$65,518,803	\$325,991,528	\$32,742,036

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF PROPERTIES

JUNE 30, 1958

Total General City, forwarded	Total
Public Service Enterprises:	
Current year additions, net:	
Water Department	\$ 2,291,517
Municipal Railway	(1,973,439)
Hetch Hetchy Project	4,290,889
San Francisco Airport	1,740,099
Public Utilities Commission	<u>6,506</u>
Prior years' additions	\$ 6,355,512
Total Public Service Enterprises	<u>333,805,955</u>
Total properties, City and County of San Francisco	\$340,161,467
	<u>\$764,413,834</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT G

-1-

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS

JUNE 30, 1958

GENERAL CITY:

	<u>Date of Issue</u>		<u>Interest Rate</u> <u>Percent</u>		
Schools:					
1923 School	March	1, 1923	5	\$ 2,700,000	
1948 School:					
Series A	March	1, 1949	1-1/2	3,000,000	
Series B	April	1, 1951	1-3/4	6,159,000	
Series C	March	1, 1952	1-1/2	7,360,000	
Series D	December	1, 1952	1-3/4	9,725,000	
Series E	August	1, 1953	2-1/2	3,520,000	
Series F	March	1, 1954	1-1/4 to 1-3/4	2,200,000	
Series G	April	1, 1955	1-3/4	3,700,000	
Series H	April	1, 1957	2-1/2 to 6	925,000	
1956 School:					
Series A	November	1, 1957	3 to 6	<u>6,000,000</u>	\$ 44,289,000

Juvenile Courts:

1948 Juvenile Court and Detention Home:					
Series A	August	1, 1948	1-3/4	\$ 217,000	
Series B	November	1, 1949	1-1/4 and 1-1/2	<u>448,000</u>	665,000

Boulevards and Roads:

1931 Boulevards and Roads	February	1, 1931	4-1/2	\$ 72,000	
1947 Street Improvements:					
Series B	August	1, 1949	1-1/4 and 1-1/2	973,000	
Series C	November	1, 1949	1-1/4 and 1-1/2	2,730,000	
Series D	September	1, 1950	1-1/4 and 1-1/2	464,000	
Series E	March	1, 1952	1-1/2	1,800,000	
Series F	December	1, 1952	1-3/4	875,000	
Series G	March	1, 1954	1 and 1-1/4	600,000	
Series H	January	1, 1956	2 to 6	1,180,000	
Series I	April	1, 1957	2-1/4 to 6	2,610,000	
Series J	May	1, 1958	2-1/4 and 2-1/2	<u>1,500,000</u>	12,804,000

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS

JUNE 30, 1958

				Interest Rate			
<u>Date of Issue</u>				<u>Percent</u>			
Sewers:							
1933 Sewer	December	1, 1933	4		\$	465,000	
1944 Sewer	February	1, 1948	2-1/2			2,665,000	
1948 Sewage Treatment:							
Series A	August	1, 1949	1-1/4 and 1-1/2			3,679,000	
Series B	November	1, 1949	1-1/4 and 1-1/2			1,463,000	
Series C	March	1, 1952	1-1/2			1,440,000	
Series D	March	1, 1954	1 and 1-1/4			600,000	
Series E	January	1, 1956	2 to 6			950,000	
Series F	May	1, 1958	2-1/4 and 2-1/2			450,000	
1954 Sewer:							
Series A	January	1, 1956	2 to 6			2,370,000	
Series B	November	1, 1957	3 to 6			<u>4,500,000</u>	\$ 18,582,000
Parks and Playgrounds:							
1931 Public Parks							
and Squares	February	1, 1931	4-1/2		\$	112,000	
1931 Playgrounds	February	1, 1931	4-1/2			16,000	
1947 Recreations:							
Series A	August	1, 1948	1-3/4			279,000	
Series B	November	1, 1949	1-1/4 and 1-1/2			623,000	
Series C	September	1, 1950	1-1/4 and 1-1/2			1,224,000	
Series D	August	1, 1953	2-1/2			1,820,000	
Series E	April	1, 1955	1-3/4 and 5-1/4			1,010,000	
Series F	January	1, 1956	2 to 6			1,420,000	
Series G	April	1, 1957	2-1/4 to 6			1,095,000	
1954 Recreation Center:							
Series A	May	1, 1958	2-1/4 and 2-1/2			5,000,000	
1955 Playground and Recreation Centers:							
Series A	November	1, 1957	3 to 6			2,000,000	
Series B	May	1, 1958	2-1/4 and 2-1/2			<u>1,000,000</u>	15,599,000
Off-Street Parking:							
1947 Off-Street Parking:							
Series A	March	1, 1952	1-1/2		\$	360,000	
Series B	January	1, 1956	2 to 6			1,900,000	
Series C	May	1, 1958	2-1/4 and 2-1/2			<u>2,000,000</u>	4,260,000

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS

JUNE 30, 1958

	<u>Date of Issue</u>		<u>Interest Rate</u> <u>Percent</u>		
Hospitals:					
1954 San Francisco Hospital:					
Series A	January 1, 1956	2 to 6		\$ 1,420,000	
Series B	November 1, 1957	3 to 6		1,500,000	
1954 Laguna Honda Home and Hospital:					
Series A	January 1, 1956	2 to 6		2,370,000	
Series B	April 1, 1957	2-1/4 to 6		2,335,000	
Series C	May 1, 1958	2-1/4 and 2-1/2		<u>475,000</u>	\$ 8,100,000
Fire Protection:					
1952 Firehouses:					
Series A	April 1, 1955	1-3/4 and 6		\$ 1,665,000	
Series B	January 1, 1956	2 to 6		950,000	
Series C	April 1, 1957	2-1/4 to 6		<u>1,305,000</u>	\$ 3,920,000
1954 Exhibit Hall:					
Series A	April 1, 1957	2-1/4 to 6			3,055,000
Hall of Justice:					
1956 Hall of Justice:					
Series A	April 1, 1957	2-1/4 to 6		\$ 1,375,000	
Series B	May 1, 1958	2-1/4 and 2-1/2		<u>1,500,000</u>	2,875,000
City Hall and Civic Center	July 1, 1912	5			<u>600,000</u>
Total General City					\$114,749,000
PUBLIC SERVICE ENTERPRISES:					
Hetch Hetchy Water Supply and Power Project				\$59,326,068	
San Francisco Water Department				20,049,932	
Municipal Railway of San Francisco				9,036,000	
San Francisco International Airport				<u>17,239,000</u>	
Total Public Service Enterprises					<u>105,651,000</u>
Total Bonded Indebtedness					<u>\$220,400,000</u>

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE OF THE CONTROLLER

JUNE 30, 1958

1. Authorized but unissued bonds:

The following is a summary of unissued bonds as at June 30, 1958:

1947 Street Improvement	\$ 1,400,000
1952 Fire House	550,000
1954 Sewer	5,645,000
1954 San Francisco Hospital	2,830,000
1955 Playground and Recreation Center	4,000,000
1955 Hetch Hetchy Power	27,000,000
1956 Hall of Justice	16,500,000
1956 Schools	21,000,000
1956 San Francisco International Airport	14,800,000
1958 Recreation and Park (Steinhart Aquarium)	<u>1,575,000</u>
Total	<u>\$95,300,000</u>

2. Excess appropriations, Employees' Retirement Fund:

It has been estimated by the Retirement System for the year ended June 30, 1958, that amounts appropriated for pensions and other costs have exceeded actual expenses by \$798,161. The original appropriations provided funds based on actuarial rates then in existence. An actuarial study completed after adoption of the appropriations, indicated lower rates which were put into effect on July 1, 1957, and consequently, yielded the estimated excess.

Provisions of Section 80 of the Charter, provide that any excess shall be transferred back to the General Fund. The excess at June 30, 1957, in the amount of \$21,553 was returned to the General Fund on November 13, 1958.

Contributions to the Retirement System by the Recreation and Park Department, Library, War Memorial, California Palace Legion of Honor, de Young Museum and Special Road Improvement were estimated for the months of May and June, 1958.

3. Fixed capital properties:

The amount of \$764,413,834 does not purport to represent the cost of properties and equipment presently owned by the City and County. The principal reasons are as follows:

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, etc. (Continued)

- A. A substantial but undetermined portion of expenditures on interdepartmental work orders in progress at the end of the fiscal year (\$9,554,758 at June 30, 1958, and \$5,461,616 at June 30, 1957) is applicable to land, structures or equipment, but such expenditures are not charged to fixed assets until each of the several jobs is completed.
 - B. An equity of approximately \$704,600 has been acquired in parking meters (including \$2,300 during the year under review) which together with the balance of \$800 owing at June 30, 1958, on meters installed to that date, has not been reflected in the records. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.
 - C. Construction contracts in progress, amounting to \$8,241,625 at June 30, 1958, are included under the deferred charge caption on the foregoing balance sheet.
 - D. Certain of the properties are recorded at appraised values.
 - E. Equipment disposals, other than those by the San Francisco Unified School District, are not recorded in the accounts.
4. Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County of San Francisco and the School District as at June 30, 1958, aggregating approximately \$26,600,000 and \$100,000 respectively; also, there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$26,600,000 against the City and County, were claims of approximately \$20,000,000 against the Municipal Railway for which the Railway has provided a reserve of \$2,668,251. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's report for the Water Department and Hetch Hetchy Project refers to contingent liabilities for various property damage, personal injury and water rate suits indeterminate in amount.

The Retirement System has estimated the reserve requirements at June 30, 1958, for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,575,000. The statements of the Water Department, Hetch Hetchy Project and the Municipal Railway indicate amounts that have been reserved for compensation claims. No provision has been made by any other department of the municipality. It is the practice of the City and County of San Francisco to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

CITY AND COUNTY OF SAN FRANCISCO
 AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, etc. (Continued)

It is the practice of the Retirement System to have an actuarial estimate made from time to time of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1958, indicate:

- A. Net income of \$1,933,458 after provision for bond interest of \$1,161,482 and a charge of \$43,836 for equipment and betterments.
- B. Bonds outstanding at June 30, 1958, amounted to \$26,790,000. These mature as follows:

<u>Year</u>	<u>Amount</u>
1958	\$ 1,200,000
1959-1961	3,600,000
1962-1966	8,000,000
1967-1971	<u>13,990,000</u>
Total	<u>\$26,790,000</u>

- C. A sinking fund for retirement of bonded debt amounting to \$8,301,076 at June 30, 1958.
- D. That the District will be liable in the sum of \$5,000,000 to the State of California in connection with the new Marin County approach, payable after the present bonded indebtedness of the District shall have been paid.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERE TO, JUNE 30, 1958

Cash	Receivables	Other Resources	Investments	Interfund Accounts	Total	
\$ 37,085,163	\$14,356,628	\$ 125,054		\$23,827,187	\$ 75,394,032	General City and County Funds:
37,083,112		53,500,000		3,844,115	89,977,427	Current
64,393,438	1,746,237		\$209,814,029	1,200,805	221,260,709	Capital
3,241,856	341				3,242,197	Public trusts
12,343					12,343	Private trusts
7,204,523				125,605	2,950,128	Assessment and redemption
\$ 64,246,815	\$16,103,206	\$53,625,054	\$209,814,029	\$28,997,712	\$392,836,836	Agency
51,750					51,750	To record:
	240,603				240,603	Revolving funds
				514	514	School department tuition
				819,714	819,714	Additional liabilities
						Additional retirement contribution - net
						Excess appropriations - retirement system
						To reclassify:
						Warrants recorded in June, issued in July
7,132,604					7,132,604	
\$ 91,481,109	\$16,343,809	\$53,625,054	\$209,814,029	\$29,817,940	\$401,082,021	Public Service Enterprise Funds:
\$ 77,118,851	\$ 488,377	\$27,005,500		\$ 941,073	\$ 55,545,801	Hetch Hetchy
6,734,610	1,281,474			89,620	8,145,704	Water Department
17,009,023	83,235			130,951	2,123,209	Municipal Railway
10,041,871	490,434	16,021,634		1,222,085	27,776,024	Airport
213,586	12,245			496,742	728,838	Public Utilities Commission
\$ 46,056,201	\$ 2,355,765	\$43,027,134		\$ 2,830,476	\$ 94,319,576	
52,650					52,650	To record:
	(4,425)			12,598	12,598	Revolving funds
	(84,402)				(4,425)	Excess retirement contribution
					(84,402)	Write-off of Airport disputed receivables
						Audit adjustments
	(204,505)			204,505		To reclassify:
						Hetch Hetchy receivable from Public Utilities Commission
						Warrants recorded in June, issued in July
7,102,603					2,102,603	Cash in transit
						For statement purposes - reserve - Airport (receivables in litigation)
						Advance rental and other miscellaneous receipts, unamortized bond premium, deposits, etc.
\$ 48,211,454	\$ 2,062,433	\$43,027,134		\$ 3,097,579	\$ 96,398,600	
\$139,792,643	\$18,406,242	\$66,652,188	\$209,814,029	\$32,915,519	\$497,480,621	

Total	Encumbrances	Interfund Accounts	Deferred Credits	Cash Reserves	Reserves	Trust and Assessment	Unencumbered Appropriations	Unap- propriated
\$ 75,394,032	\$ 8,035,648	\$20,121,576	\$8,210,667	\$9,293,046	\$5,580,916		\$17,305,375	\$ 6,846,804
89,977,427	8,241,625	8,454,366					45,783,455	27,497,981
221,260,709	122,400	45,511				\$221,092,798		
3,242,197	1,654	720				3,239,823		
12,343						12,343		
2,950,128	110,442	196,490				2,643,156		
<u>\$392,836,836</u>	<u>\$16,511,769</u>	<u>\$28,318,663</u>	<u>\$8,210,667</u>	<u>\$9,293,046</u>	<u>\$5,580,916</u>	<u>\$226,988,160</u>	<u>\$63,088,830</u>	<u>\$34,344,785</u>
51,750								51,750
240,603								240,603
514	94,143	514				514	(94,143)	
819,714		819,714				(819,714)	(514)	819,714
<u>7,132,604</u>	<u>7,132,604</u>							
<u>\$401,082,021</u>	<u>\$23,738,516</u>	<u>\$29,638,891</u>	<u>\$8,210,667</u>	<u>\$9,293,046</u>	<u>\$5,580,916</u>	<u>\$226,168,960</u>	<u>\$62,994,173</u>	<u>\$35,456,852</u>
\$ 55,545,801	\$14,321,807	\$ 666,764			\$1,264,957		\$20,941,362	\$18,350,911
8,145,704	2,595,173	274,281			1,842,022		2,957,550	476,678
2,123,209	1,052,712	351,568					365,565	353,364
27,776,024	2,561,210	1,624,115			323,713		3,299,497	19,967,529
728,838	257,036	17,190			12,245		422,435	19,932
<u>\$ 94,319,576</u>	<u>\$20,787,938</u>	<u>\$ 2,933,918</u>			<u>\$3,442,937</u>		<u>\$27,986,369</u>	<u>\$39,168,414</u>
52,650								52,650
12,598		12,598						
(4,425)					(4,425)	\$ (12,958)	12,958	
(84,402)	(120,004)	125,607	\$ 45,867		(125,032)		(10,840)	
	(204,505)	204,505						
2,102,603	2,102,603							
			253,924			(23,655)		23,655
			60,507			(253,924)		
								(60,507)
<u>\$ 96,398,600</u>	<u>\$22,566,032</u>	<u>\$ 3,276,628</u>	<u>\$ 360,298</u>		<u>\$3,035,901</u>	<u>\$ (12,958)</u>	<u>\$27,988,487</u>	<u>\$39,184,212</u>
<u>\$497,480,621</u>	<u>\$46,304,548</u>	<u>\$32,915,519</u>	<u>\$8,570,965</u>	<u>\$9,293,046</u>	<u>\$8,616,817</u>	<u>\$226,156,002</u>	<u>\$90,982,660</u>	<u>\$74,641,064</u>

EXHIBIT I

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS

JUNE 30, 1958

<u>Cash</u>	<u>Receivables</u>	<u>Other Resources</u>	<u>Interfund Accounts</u>	<u>Total</u>	
			\$ 589,061	\$ 589,061	General Fund, 1958-59
\$ 1,089,678	\$ 3,558,778		12,579,222	17,227,678	General Fund, 1957-58
1,047,231	687,289		35,824	1,770,344	General Fund, Prior Years
1,252,789	2,418		340,220	1,595,427	Recreation and Park
182,006	7,153		50	189,209	Library
124,425	520			124,945	War Memorial
19,011				19,011	California Palace of the Legion of Honor
65,378				65,378	de Young Museum
25,543			2,500	28,043	Publicity and Advertising
57,629				57,629	Special Election
5,035,864	215,816		324,242	5,575,922	Special Road Improvement
5,685,189	949,196	\$125,054	2,913	6,962,352	San Francisco Unified School District
190,007	46,225			236,232	School Cafeteria
10,737				10,737	County School Service
110,332	27,829			138,161	Child Care Centers
11,678,435	2,452,585		116,621	14,247,591	Special Gas Tax Street Improvement
	342,106			342,106	Employees' Retirement - Current
114,099	233,102		1,933,261	2,280,462	Bond Interest and Redemption
2,881,866	2,165,578		6,348,564	11,396,008	Cash Reserve
617,657			885,492	1,503,149	Emergency Reserve
26,656				26,656	Embarcadero Widening
1,237,902	3,098,277			4,336,179	Capital Improvement
	233,333			233,333	Alcoholic Beverage License Subsidy
	336,423			336,423	Tuberculosis Aid Subsidy
(167,930)				(167,930)	Auditorium
(171,332)				(171,332)	Firemen's Relief and Pension
(103,235)				(103,235)	Police Relief and Pension
			669,217	669,217	Medical Care Trust
					Unapportioned Funds:
1,003				1,003	Tax Collector's Taxes
165				165	Redemption of Property
64,355				64,355	Delinquent Tax Installments
5,809,253				5,809,253	Assessor's Personal Property Taxes
<u>\$37,085,163</u>	<u>\$14,356,628</u>	<u>\$125,054</u>	<u>\$23,827,187</u>	<u>\$75,394,032</u>	

<u>Total</u>	<u>Encumbrances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Cash Reserves</u>	<u>Reserves</u>	<u>Unencumbered Appropriations</u>	<u>Unappro- priated</u>
\$ 589,061							\$ 589,061
17,227,678	\$5,365,292	\$ 5,395,844	\$1,612,592		\$2,392,735	\$ 2,461,215	
1,770,344	231,329	765,544	5,000		681,453	87,018	
1,595,427	338,619	622,188	48,582		2,418	583,620	
189,209	107,056	73,469			7,163	1,521	
124,945	3,836	45,010			520	75,579	
19,011	1,254	15,236				2,521	
65,378	608	36,630				28,140	
28,043	20,774	6,420				849	
57,629						47,890	9,739
5,575,922	210,178	1,411,692				2,928,857	1,025,195
6,962,352	1,571,556	733,480			519,952	241,259	3,896,105
236,232		76				5,000	231,156
10,737						10,737	
138,161	31,976	4,464			1,830	5,013	94,878
14,247,591	21,348	3,745,064			42,000	9,046,522	1,392,657
342,106		143,156			198,950		
2,280,462		2,000,000			231,020		49,442
11,396,008		600,087		\$9,293,046	1,502,875		
1,503,149		5,500				1,497,649	
26,656						26,656	
4,336,179	131,822	3,947,960				255,329	1,068
233,333		233,333					
336,423		336,423					
(167,930)							(167,930)
(171,332)							(171,332)
(103,235)							(103,235)
669,217			669,217				
1,003			1,003				
165			165				
64,355			64,355				
5,809,753			5,809,753				
<u>\$75,394,032</u>	<u>\$8,035,648</u>	<u>\$20,121,576</u>	<u>\$8,210,667</u>	<u>\$9,293,046</u>	<u>\$5,580,916</u>	<u>\$17,305,375</u>	<u>\$6,846,804</u>

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - CAPITAL FUNDS

JUNE 30, 1958

Unaid	Unsold Bonds	Interfund Accounts	Total	Excesses	Interfund Accounts	Unencumbered Appropriations	Unappropriated
\$ 6,594			\$ 6,594	\$ 12,100	\$ 11,256	\$ 4,839	\$ 1,755
1,147,319			1,147,319			1,118,879	5,004
28,319			28,319				
4,089,239	\$ 1,400,000		6,389,239	1,085,687	2,484,743	25,507	2,812
594,924			594,924	24,704	6,827	1,992,947	15,862
2,483,795			2,483,795		10,582	462,195	101,198
503,096			503,096	219,516	10,332	2,144,472	328,741
536,210			536,210	1,512	5,789	228,560	44,688
477,305	550,000		1,027,305	109,222	17,850	528,909	10,059
4,005,575	5,645,000		9,650,575	410,609	871,057	8,362,909	6,000
1,779,975	2,830,000		4,609,975	316,544	1,010,661	3,282,408	382
1,723,172		\$3,844,115	1,723,172	722,596	238,986	761,590	
5,000,000			3,856,521	28,839	3,680,980	146,702	5,000,000
1,528,359	4,000,000		5,528,359	731,821	43,451	2,427,777	2,385,310
1,770,500	16,500,000		18,270,500	1,313,429	24,847	521,175	16,411,049
5,520,286	21,000,000		26,520,286	2,435,046	37,025	22,816,958	1,211,257
	1,575,000		1,575,000				1,575,000
349,278			349,278			48,620	300,658
176,960			176,960			18,834	158,126
\$32,633,312	\$53,500,000	\$3,844,115	\$89,977,427	\$8,241,625	\$8,454,366	\$45,783,455	\$27,497,981

Real Property Funds:

General City
San Francisco Unified School
District

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT K

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEET - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30, 1958

Cash	Receivables	Investments	Interfund Accounts	Total	Employees' Retirement System	Bequests:	Total	Encum- brances	Interfund Accounts	Fund Balances
\$7,598,836	\$1,715,895	\$209,342,345	\$1,200,805	\$219,897,881	\$219,897,881	\$23,933	\$9,706	\$219,894,242		
1,270	94			1,364						1,364
332				233						233
10,835		49,340		60,175						60,175
4,202	995	116,672		121,869				517		121,352
84,198				84,198						84,198
4,223	116	8,379		12,718						12,718
		2,100		2,100				45		2,145
21,949	45	2,073		21,948				2,250	1,067	18,632
3,160		5,000		8,167						8,167
2,112				2,112						2,112
5,863	23	978		6,864						6,864
6,587	687	40,238		46,607						46,607
				6,587						6,587
				1,046						1,046
13,862	197	10,066		24,125						24,125
2,152	1,415	201,250		204,817				18,425		206,450
28,210	62	5,000		33,272						33,272
64				64						64
1,591	342	15,009		16,942						16,942
125	204			329						329
9,218				9,218						9,218
3,182				3,182						3,182
18,330				18,330				7,365	250	21,352
480,908				480,908				3,974	613	479,132
2,038				2,038					5,250	7,288
3,952				3,952						3,952
3,959				3,959				39		3,998
57				57						57
	15,585			15,585						15,585
1,791	110			1,901						1,901
296				296						296
1,192				1,192						1,192
165				165						165
15,468	26,903			42,371						42,371
75,178				75,178				65,852	26,000	15,984
114				114					2,625	6,701
30				30						30
\$8,499,638	\$1,746,237	\$209,814,029	\$1,200,805	\$221,260,709	\$221,260,709	\$128,400	\$45,511	\$221,092,798		

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30, 1958

Cash	Receivables	Total	Interfund Accounts	Total	Encumbrances	Interfund Accounts	Fund Balances
\$	\$	\$	\$	\$	\$	\$	\$
224		224		224			224
6,565		6,565		6,565			6,565
52,594		52,594		52,594			52,594
199		199		199			199
22,369		22,369		22,369			22,369
2,000		2,000		2,000			2,000
363,729		363,729		363,729			363,729
1,415		1,415		1,415			1,415
31,542		31,542		31,542			31,542
1,523		1,523		1,523			1,523
17,968		17,968		17,968			17,968
18,309		18,309		18,309			18,309
396		396		396			396
69,550		69,550		69,550			69,550
163,125		163,125		163,125			163,125
107,074		107,074		107,074			107,074
93,154		93,154		93,154			93,154
101,559		101,559		101,559			101,559
86,599		86,599		86,599			86,599
12,650		12,650		12,650			12,650
125		125		125			125
465		465		465			465
5		5		5			5
10,480		10,480		10,480			10,480
18,779		18,779		18,779			18,779
312,751		312,751		312,751			312,751
70,317		70,317		70,317			70,317
1,066,856		1,066,856		1,066,856			1,066,856
208,813		208,813		208,813			208,813
467,521		467,521		467,521			467,521
37,449		37,449		37,449			37,449
797		797		797			797
26		26		26			26
131		131		131			131
309		309		309			309
\$3,242,197	\$341	\$3,242,197	\$1,654	\$3,242,197	\$720	\$1,654	\$3,239,823

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1958

Cash	Interfund Accounts	Total	Assessment and Redemption Funds	Total	Encumbrance	Interfund Accounts	Fund Balances
\$ 1,302		\$ 1,302	Circular Avenue Assessment	\$ 1,302			\$ 1,302
4,233		4,233	Circular Avenue Redemption	4,233			4,233
938		938	City Lands Assessment	938			938
3,623		3,623	City Lands Redemption	3,623			3,623
142		142	Oakwood Street Assessments	142			142
64		64	Saturn Street Redemptions	64			64
461		461	Virginia Avenue Assessments	461			461
1,580		1,580	Virginia Avenue Redemptions	1,580			1,580
<u>\$ 12,343</u>		<u>\$ 12,343</u>					<u>\$ 12,343</u>
\$ 77,784		\$ 77,784	Agency Funds:		\$30,584	\$ 250	\$ 46,950
74,909	\$ 90,605	165,514	Bay Area Air Pollution Control District	165,514	15,514	150,000	17,800
35,000	35,000	70,000	Bay Area Rapid Transit	70,000	17,200	35,000	
2		2	Hunters Point Reclamation District	2			
34,977		34,977	Law Library	34,977	7,995	9,740	34,977
1,507,833		1,507,833	Redevelopment Agency - Survey and Planning	1,507,833			1,490,098
85		85	Revelation Agency - Project Expenditures	85			85
606,296		606,296	State Consumers' Use Tax	606,296			565,647
4,580		4,580	State County Fair	4,580	39,149	1,500	4,580
445,281		445,281	State General Agency	445,281			445,281
2,861		2,861	State Inheritance Taxes	2,861			2,861
16,090		16,090	State Sales Tax	16,090			16,090
18,895		18,895	State Teachers' Annuity Deposits	18,895			18,895
			State Teachers' Retirement Plan				
<u>\$2,824,523</u>	<u>\$125,605</u>	<u>\$2,950,128</u>		<u>\$2,950,128</u>	<u>\$110,442</u>	<u>\$196,400</u>	<u>\$2,643,196</u>

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1958

Debit	Beneficiaries	Other Reserves	Interfund Accounts	Total	Hatch Hatchery	Total	Encumbrances	Interfund Accounts	Reserves	Unencumbered Appropriation	Unexpended Encumbrances
\$ 1,354,416	\$ 488,377		\$ 941,073	\$ 2,813,866	Operating	\$ 2,813,866	\$ 508,563	\$ 224,968	\$ 23,695	\$ 330,447	\$ 1,726,291
1,235,802			1,235,802	1,235,802	Bond Interest and Redemption	48,096			1,235,802		
48,096				48,096	1947 Water Bonds	1,235,802				48,096	
48,096				48,096	1947 Cherry Valley Dam Bonds	1,235,802				48,096	
48,096				48,096	1955 Hatch Hatchery Power	1,235,802				48,096	
24,110,157	\$ 488,377	\$ 27,005,500	\$ 941,073	\$ 25,545,801		\$ 25,545,801	\$ 13,813,244	\$ 407,432	5,500	\$ 3,779	\$ 16,554,168
\$ 27,110,157	\$ 488,377	\$ 27,005,500	\$ 941,073	\$ 25,545,801	Water Department:	\$ 25,545,801	\$ 14,321,807	\$ 666,764	\$ 1,264,957	\$ 20,941,362	\$ 18,350,911
\$ 5,477,167	\$ 1,281,474		\$ 89,620	\$ 6,848,261	Operating	\$ 6,848,261	\$ 2,595,173	\$ 274,281	\$ 549,522	\$ 2,952,667	\$ 476,678
1,282,500				1,282,500	Bond Interest and Redemption	1,282,500			1,282,500		
4,943				4,943	Real Property	4,943				4,943	
\$ 6,774,610	\$ 1,281,474		\$ 89,620	\$ 8,145,704		\$ 8,145,704	\$ 2,595,173	\$ 274,281	\$ 1,842,022	\$ 2,957,550	\$ 476,678
\$ 1,095,394	\$ 81,235		\$ 130,876	\$ 2,069,465	Municipal Railways:	\$ 2,069,465	\$ 1,008,875	\$ 351,568		\$ 375,698	\$ 351,364
53,469			75	53,444	Operating	53,444				9,902	
\$ 1,909,023	\$ 81,235		\$ 130,951	\$ 2,123,209	1947 Municipal Railway Rehabilitation	\$ 2,123,209	\$ 1,052,712	\$ 351,568		\$ 365,565	\$ 351,364
\$ 468,499	\$ 490,434		\$ 1,950	\$ 960,883	Airport:	\$ 960,883	\$ 69,738	\$ 94,067	\$ 302,876	\$ 14,730	\$ 479,432
33,318				33,318	Operating	33,318	\$ 3,036	\$ 7,420		22,120	\$ 742
87,614				87,614	Special Aviation	87,614				78,201	
146,693				146,693	1945 Airport Bonds	146,693				19,967	\$ 2,736
6,610,100			\$ 14,801,500	\$ 20,411,600	1946 Airport Bonds	146,693	\$ 4,618	\$ 19,532		2,728,692	\$ 19,486,619
1,337			1,220,135	1,337	Bond Interest and Redemption	1,337	\$ 349,704	\$ 271,670	1,500	2,728,692	
\$ 2,473,660		\$ 1,220,134		\$ 3,693,794	Federal Airport Project	\$ 3,693,794	\$ 2,133,963	\$ 1,222,084	\$ 19,337	\$ 34,742	
\$ 10,041,571	\$ 490,434	\$ 16,021,634	\$ 1,222,085	\$ 27,776,024		\$ 27,776,024	\$ 2,561,210	\$ 1,624,115	\$ 323,713	\$ 3,299,457	\$ 19,969,529
\$ 219,866	\$ 12,245		\$ 456,747	\$ 788,858	Public Utilities Commission:	\$ 788,858	\$ 297,036	\$ 17,150	\$ 12,245	\$ 422,435	\$ 19,932
\$ 46,056,201	\$ 2,375,765	\$ 43,027,134	\$ 2,880,476	\$ 94,319,576	Operating	\$ 94,319,576	\$ 20,787,938	\$ 2,933,918	\$ 3,442,937	\$ 27,986,369	\$ 39,169,414

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUND BALANCE SHEETS, JUNE 30, 1958

A S S E T S

Proprietary balance sheet - Exhibit A

Deduct:

Fixed capital assets, net
 Warrants and payroll deductions outstanding
 Bonds matured and unpaid
 Inventories and deferred charges
 Federal aid for public improvements
 Lease deposits

	Total	Fixed Capital Assets	Cash	Accounts Receivables	Federal Aid for Public Improvements	Other Resources	Investments	Deposits	Interfund Accounts	Deferred Charges
Proprietary balance sheet - Exhibit A	\$1,077,642.689	\$657,892.173	\$147,345.862	\$12,765,670	\$212,703		\$209,814,029	\$128,475	\$ 5161,992	\$44,321,795
Deduct:										
Fixed capital assets, net	\$ 657,892.173	\$657,892.173								
Warrants and payroll deductions outstanding	7,558,485		\$ 7,558,485							
Bonds matured and unpaid	85,536		85,536							
Inventories and deferred charges	29,200		29,200							
Federal aid for public improvements	44,314,795				\$212,703	\$ (7,400)		\$128,475		\$44,321,795
Lease deposits	128,475									
	\$ 709,988,682	\$657,892.173	\$ 7,653,219		\$212,703	\$ (219,703)		\$128,475		\$44,321,795

Add:

Accounts receivable
 Interfund accounts

Accounts receivable	\$ 6,773,057			\$ 5,640,572		\$ 1,132,485				
Interfund accounts	92,773,827					95,300,000			\$27,753,527	
	\$ 1,291,826,658			\$ 5,640,572		\$56,432,485			\$27,753,527	

Fund balance sheets - Exhibit H

	\$ 497,480,641	-0-	\$139,692,643	\$18,406,242	-0-	\$96,652,188	\$209,814,029	-0-	\$32,915,519	-0-
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CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUND BALANCE SHEET, JUNE 30, 1958

P R O P R I E T A R Y

Proprietary balance sheet - Exhibit A

Debit:

Bonded debt, and interest maturing after July 1, 1958

Bond interest matured unpaid

Bonded debt, and interest maturing on July 1, 1958

Bond interest maturing on July 1, 1958

Bonds maturing on July 1, 1958

Outstanding warrants and payroll deductions

Accruals due to the State of California - Municipal Railway

Accruals due to the State of California - Municipal Railway

Accrued salaries and wages

Fixed capital assets, net

Reserve for accident claims - Municipal Railway

Reserve for accident compensation claims, State

Reserve for outstanding tokens - Municipal Railway

Reserve for refunds - Water Department

Other reserves - Water Department

Inventories and supplies

Outstanding warrants and prior year's receipts not encumbered - Public Utilities Commission

Airport improvements amortized

Lease deposits

Receivable from State of California - reserved

Add:

Interfund accounts

Accumulated amortizable reserves

Bonds unsold

Interfund work orders, budget transfers and other adjustments

Reserve for Water Department revenues collected - State of California

Other Water Department reserves

Fund balance sheets - Exhibit H

	Total	Bonded Debt	Internal	Commodities	Accounts Payable	Credit	Reserves	Fund Balances	Balance
Proprietary balance sheet - Exhibit A	\$ 1,077,642.69	\$ 220,452,200	\$ 1,950,051	\$ 29,055,722	\$ 31,511,222	\$ 1,072,658	\$ 1,259,525	\$ 276,011,224	\$ 276,011,224
Debit:									\$ 1,259,525
Bonded debt, and interest maturing after July 1, 1958		\$ 217,400,000	\$ 943,454						\$ 943,454
Bond interest matured unpaid	\$ 65,534		65,534						\$ 65,534
Bonded debt, and interest maturing on July 1, 1958	29,200	29,200							29,200
Bond interest maturing on July 1, 1958			951,063						951,063
Bonds maturing on July 1, 1958	7,958,405	2,800,000		\$ 7,958,405					2,800,000
Outstanding warrants and payroll deductions				217,017					217,017
Accruals due to the State of California - Municipal Railway				2,640					2,640
Accruals due to the State of California - Municipal Railway	657,892.173								657,892.173
Accrued salaries and wages									2,668,251
Fixed capital assets, net									321,024
Reserve for accident claims - Municipal Railway									65
Reserve for accident compensation claims, State									424,277
Reserve for outstanding tokens - Municipal Railway									8,192
Reserve for refunds - Water Department									44,258,058
Other reserves - Water Department	44,314,785					\$ 62,887			44,258,058
Inventories and supplies						442,073			442,073
Outstanding warrants and prior year's receipts not encumbered - Public Utilities Commission						3,653			3,653
Airport improvements amortized						80			80
Lease deposits	128,475								128,475
Receivable from State of California - reserved									4,049
Add:									
Interfund accounts	\$ 709,938,652	\$ 220,452,200	\$ 1,950,051	\$ 7,791,204	\$ -	\$ 508,723	\$ 1,001,154	\$ -	\$ 709,938,652
Accumulated amortizable reserves	\$ 21,753,527				\$ 21,753,527				\$ 21,753,527
Bonds unsold	6,773,057							\$ 120,748	\$ 6,773,057
Interfund work orders, budget transfers and other adjustments	95,300,000								95,300,000
Reserve for Water Department revenues collected - State of California									270,209
Other Water Department reserves									121,621
Fund balance sheets - Exhibit H	\$ 129,826,554	\$ -	\$ -	\$ 246,304,348	\$ 27,753,527	\$ 1,072,658	\$ 1,259,525	\$ 276,011,224	\$ 276,011,224
	\$ 457,430,621	\$ -	\$ -	\$ 246,304,348	\$ 27,753,527	\$ 1,072,658	\$ 1,259,525	\$ 276,011,224	\$ 276,011,224
									\$ 1,259,525
									\$ 943,454
									\$ 65,534
									29,200
									951,063
									2,800,000
									217,017
									2,640
									657,892.173
									321,024
									424,277
									8,192
									44,258,058
						\$ 62,887			44,258,058
									44,314,785
						442,073			442,073
						3,653			3,653
						80			80
									128,475
									4,049
								\$ -	\$ 709,938,652
								\$ 120,748	\$ 6,773,057
									95,300,000
									270,209
									121,621
								\$ 120,748	\$ 95,300,263
								\$ 226,156,002	\$ 174,916,770
								\$ 943,454	\$ 943,454
								\$ 65,534	\$ 65,534
								\$ 29,200	\$ 29,200
								\$ 951,063	\$ 951,063
								\$ 2,800,000	\$ 2,800,000
								\$ 217,017	\$ 217,017
								\$ 2,640	\$ 2,640
								\$ 657,892.173	\$ 657,892.173
								\$ 321,024	\$ 321,024
								\$ 424,277	\$ 424,277
								\$ 8,192	\$ 8,192
								\$ 44,258,058	\$ 44,258,058
						\$ 62,887			\$ 62,887
									\$ 44,314,785
						442,073			\$ 442,073
						3,653			\$ 3,653
						80			\$ 80
									\$ 128,475
									\$ 4,049
								\$ -	\$ 709,938,652
								\$ 120,748	\$ 6,773,057
									95,300,000
									270,209
									121,621
								\$ 120,748	\$ 95,300,263
								\$ 226,156,002	\$ 174,916,770
								\$ 943,454	\$ 943,454
								\$ 65,534	\$ 65,534
								\$ 29,200	\$ 29,200
								\$ 951,063	\$ 951,063
								\$ 2,800,000	\$ 2,800,000
								\$ 217,017	\$ 217,017
								\$ 2,640	\$ 2,640
								\$ 657,892.173	\$ 657,892.173
								\$ 321,024	\$ 321,024
								\$ 424,277	\$ 424,277
								\$ 8,192	\$ 8,192
								\$ 44,258,058	\$ 44,258,058
						\$ 62,887			\$ 62,887
									\$ 44,314,785
						442,073			\$ 442,073
						3,653			\$ 3,653
						80			\$ 80
									\$ 128,475
									\$ 4,049
								\$ -	\$ 709,938,652
								\$ 120,748	\$ 6,773,057
									95,300,000
									270,209
									121,621
								\$ 120,748	\$ 95,300,263
								\$ 226,156,002	\$ 174,916,770
								\$ 943,454	\$ 943,454
								\$ 65,534	\$ 65,534
								\$ 29,200	\$ 29,200
								\$ 951,063	\$ 951,063
								\$ 2,800,000	\$ 2,800,000
								\$ 217,017	\$ 217,017
								\$ 2,640	\$ 2,640
								\$ 657,892.173	\$ 657,892.173
								\$ 321,024	\$ 321,024
								\$ 424,277	\$ 424,277
								\$ 8,192	\$ 8,192
								\$ 44,258,058	\$ 44,258,058
						\$ 62,887			\$ 62,887
									\$ 44,314,785
						442,073			\$ 442,073
						3,653			\$ 3,653
						80			\$ 80
									\$ 128,475
									\$ 4,049
								\$ -	\$ 709,938,652
								\$ 120,748	\$ 6,773,057
									95,300,000
									270,209
									121,621
								\$ 120,748	\$ 95,300,263
								\$ 226,156,002	\$ 174,916,770
								\$ 943,454	\$ 943,454
								\$ 65,534	\$ 65,534
								\$ 29,200	\$ 29,200
								\$ 951,063	\$ 951,063
								\$ 2,800,000	\$ 2,800,000
								\$ 217,017	\$ 217,017
								\$ 2,640	\$ 2,640
								\$ 657,892.173	\$ 657,892.173
								\$ 321,024	\$ 321,024
								\$ 424,277	\$ 424,277
								\$ 8,192	\$ 8,192
								\$ 44,258,058	\$ 44,258,058
						\$ 62,887			\$ 62,887
									\$ 44,314,785
						442,073			\$ 442,073
						3,653			\$ 3,653
						80			\$ 80
									\$ 128,475
									\$ 4,049
								\$ -	\$ 709,938,652
								\$ 120,748	\$ 6,773,057
									95,300,000
									270,209
									121,621
								\$ 120,748	\$ 95,300,263
								\$ 226,156,002	\$ 174,916,770
								\$ 943,454	\$ 943,454
								\$ 65,534	\$ 65,534
								\$ 29,200	\$ 29,200
								\$ 951,063	\$ 951,063
								\$ 2,800,000	\$ 2,800,000
								\$ 217,017	\$ 217,017
								\$ 2,640	\$ 2,640
								\$ 657,892.173	\$ 657,892.173
								\$ 321,024	\$ 321,024
								\$ 424,277	\$ 424,277
								\$ 8,192	\$ 8,192
								\$ 44,258,058	\$ 44,258,058
						\$ 62,887			\$ 62,887
									\$ 44,314,785
						442,073			\$ 442,073
						3,653			\$ 3,653
						80			\$ 80
									\$ 128,475
									\$ 4,049
								\$ -	\$ 709,938,652
								\$ 120,748	\$ 6,773,057
									95,300,000
									270,209
									121,621
								\$ 120,748	\$ 95,300,263
								\$ 226,156,002	\$ 174,916,770
								\$ 943,454	\$ 943,454
								\$ 65,534	\$ 65,534
								\$ 29,200	\$ 29,200
								\$ 951,063	\$ 951,063
								\$ 2,800,000	\$ 2,800,000
								\$ 217,017	\$ 217,017
								\$ 2,640	\$ 2,640
								\$ 657,892.173	\$ 657,892.173
								\$ 321,024	\$ 321,024

San Francisco Water Department
AND
HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF ACCOUNTS
YEAR ENDED JUNE 30, 1958

BRANCHES IN:
SAN FRANCISCO
NEW YORK
CHICAGO
LOS ANGELES
SEATTLE
HONOLULU

JOHN F. FORBES & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

CABLE ADDRESS
"CERPUBANT"
CROCKER BUILDING
SAN FRANCISCO 4

October 8, 1958.

The Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

Dear Sir:

Pursuant to your instructions, and under the terms of an agreement with you dated February 3, 1958, we have examined the combining balance sheet of the San Francisco Water Department and Hetch Hetchy Project as of June 30, 1958, and the related combining statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying combining balance sheet and combining statements of income and surplus present fairly the financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1958, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, audit program, and working papers in connection with this examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

We present herewith the following exhibits, schedule, and notes:

Exhibit

A - Combining Balance Sheet, June 30, 1958.

Schedule

1 - Combining Summary of Property,
Plant, and Equipment, and
Related Accumulated Depreciation,
June 30, 1958.

B - Combining Statement of Income for the Year
Ended June 30, 1958.

C - Combining Statement of Surplus for the Year
Ended June 30, 1958.

Notes to Financial Statements, June 30, 1958.

Yours truly,

John F. Forbes & Company

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING BALANCE SHEET, JUNE 30, 1958

-- A S S E T S --

	COMBINED	EXHIBITATIONS	WATER	HETCH HETCHY
			DEPARTMENT	PROJECT
PROPERTY, PLANT, AND EQUIPMENT (Schedule 1) (Note 1):				
In service:				
Tangible property,.....	\$233,633,641.55		\$101,638,241.48	\$131,795,400.07
Intangible property,.....	5,956,943.00		3,222,913.00	2,735,630.00
Not in service - Tangible property,.....	919,273.42		860,582.58	56,690.84
Total,.....	\$240,511,457.97		\$105,921,737.06	\$134,589,720.91
Less accumulated depreciation,.....	74,973,495.70		35,608,301.36	39,365,194.34
Residual,.....	\$165,537,962.27		\$70,313,435.70	\$95,224,526.57
Under construction,.....	6,667,826.81		1,821,397.82	4,846,428.99
Total property, plant, and equipment,.....	\$172,205,789.08		\$72,134,833.52	\$100,070,955.56
ON HAND:				
On deposit with Treasurer,.....	\$35,086,711.85		\$7,186,800.81	\$27,899,911.04
Revolving funds,.....	57,655.28		30,000.00	27,655.28
Total cash,.....	\$35,144,367.13		\$7,216,800.81	\$27,927,566.32
ACCOUNTS RECEIVABLE:				
Consumers' accounts,.....	\$1,401,164.58		\$1,119,092.85	\$282,071.73
Other accounts,.....	90,313.12		90,313.12	
Total,.....	\$1,491,477.70		\$1,209,405.97	\$282,071.73
Less allowance for doubtful accounts,.....	33,015.98		33,015.98	
Remainder - Accounts receivable, DUE FROM CITY AND COUNTY OF SAN FRANCISCO:	\$1,458,461.72		\$1,176,389.99	\$282,071.73
General departments and funds,.....	\$20,774.67			\$20,774.67
Other public service departments,.....	293,647.66		\$45,234.35	\$248,413.31
Total due from City and County of San Francisco,.....	\$314,422.33		\$45,234.35	\$269,188.00
DEFERRED CHARGES AND OTHER ASSETS:				
Materials and supplies,.....	\$638,053.52		\$592,048.06	\$46,005.46
Commitments for goods and services not received (Contracts),.....	16,148,751.91		2,522,682.92	13,626,068.99
Deposits and other accounts,.....	189,352.87		160,024.41	29,328.46
Total deferred charges and other assets,.....	\$16,976,158.30		\$3,274,755.39	\$13,701,402.91
TOTAL,.....	\$226,099,198.56		\$45,234.35	\$83,815,194.80
				\$142,329,238.11

EXHIBIT A

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING BALANCE SHEET, JUNE 30, 1958

-- L I A B I L I T I E S --

BONDED DEBT (Note 3):

Matured bonds not presented for payment.....	\$ 22,000.00				
Maturing within one year.....	5,647,000.00	\$	16,000.00	\$	6,000.00
Maturing subsequent to June 30, 1959.....	73,729,000.00		1,924,505.00		3,722,495.00
			18,125,427.00		55,603,573.00
Total bonded debt.....	\$ 79,398,000.00	\$	20,065,932.00	\$	59,332,068.00

BOND INTEREST PAYABLE:

Matured coupons not presented for payment.....	\$ 47,297.50				
Due July 1, 1958.....	789,750.00	\$	6,660.00	\$	40,637.50
Accrued, due subsequent to July 1, 1958.....	250,693.71		292,500.00		496,250.00
					250,693.71
Total bond interest payable.....	\$ 1,086,741.21	\$	299,160.00	\$	787,581.21

ACCOUNTS PAYABLE AND COMMITMENTS:

Warrants outstanding and payroll deductions payable.....	\$ 1,155,608.84				
Accounts payable.....	229,090.40	\$	389,531.04	\$	766,077.80
Retained Percentages due contractors.....	402,757.59		135,521.67		89,568.73
Commitments for goods and services not received (contra).....	16,148,751.91		35,949.20		366,808.39
Total accounts payable and commitments.....	\$ 17,932,208.74	\$	2,522,682.92	\$	13,626,068.99

Total accounts payable and commitments.....

DEPOSITS AND CONSTRUCTION ADVANCES.....	\$ 217,017.62	\$	215,228.69	\$	1,788.93
---	---------------	----	------------	----	----------

DUE TO CITY AND COUNTY OF SAN FRANCISCO:

General departments and funds.....	\$ 206,113.65				
Other public service departments.....	31,114.12	\$45,234.35			
Total due to City and County of San Francisco.....	\$ 237,227.77	\$45,234.35			

Total due to City and County of San Francisco.....

RESERVES AND DEFERRED CREDITS:

Workmen's compensation insurance claims.....	\$ 155,878.85				
Consumers' accounts subject to adjustment (Note 2), Other.....	424,257.52				
	12,336.92		8,192.20		
Total reserves and deferred credits.....	\$ 592,473.29	\$	576,151.28	\$	16,322.01

Total reserves and deferred credits.....

SURPLUS (Exhibit C).....	\$126,635,529.93				
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TOTAL.....	\$226,099,198.56	\$45,234.35	\$ 63,615,194.80	\$142,329,238.11	
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NOTE: The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT A

(Concluded) - 2.

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, AND RELATED ACCUMULATED DEPRECIATION, JUNE 30, 1958

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
IN SERVICE:		
Tangible property:		
Water department:		
Land and rights of way,.....	\$ 14,182,775.28	
Buildings, structures, and grounds,..	1,716,132.36	\$ 893,547.36
Source of water supply,.....	29,505,296.29	9,558,074.82
Pumping station equipment,.....	1,401,846.68	447,515.69
Purification system,.....	332,718.41	132,526.59
Transmission and distribution system,	52,910,086.50	23,197,818.16
General equipment,.....	402,051.79	230,415.92
Automotive equipment,.....	476,149.48	233,654.19
Undistributed interest during construction,.....	911,184.69	361,482.38
Total Water Department,.....	<u>\$101,838,241.48</u>	<u>\$35,055,035.11</u>
Hetch Hetchy Project:		
Water plant:		
Land and rights of way,.....	\$ 1,012,495.12	
Buildings, structures, and grounds,	148,224.77	\$ 60,700.41
Source of water supply,.....	69,679,560.17	21,773,374.45
Purification system,.....	37,313.93	29,917.65
Total water plant,.....	<u>\$ 70,877,593.99</u>	<u>\$21,863,992.51</u>
Electric plant:		
Land and rights of way,.....	\$ 332,629.06	
Buildings, structures, and grounds,	1,224,250.98	\$ 638,791.27
Hydraulic production plant,.....	8,700,792.11	5,007,593.81
Transmission system,.....	2,768,553.86	2,205,050.78
General equipment,.....	232,611.52	75,369.74
Total electric plant,.....	<u>\$ 13,258,837.53</u>	<u>\$ 7,926,805.60</u>
Joint plant:		
Land and rights of way,.....	\$ 1,806,687.60	\$ 14,021.14
Buildings, structures, and grounds,	1,479,442.58	685,662.17
Source of water supply,.....	43,818,668.54	8,533,872.01
General equipment,.....	554,169.83	305,251.05
Total joint plant,.....	<u>\$ 47,658,968.55</u>	<u>\$ 9,538,806.37</u>
Total Hetch Hetchy Project,....	<u>\$131,795,400.07</u>	<u>\$39,329,604.48</u>
Total tangible property in service (Forward),.....		
	\$233,633,641.55	\$74,384,639.59

EXHIBIT A
SCHEDULE 1

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
IN SERVICE (Continued):		
Total tangible property in service (Forward),.....	\$233,633,641.55	\$74,384,639.59
Intangible property:		
Water rights and other intangible property:		
Water Department,.....	\$ 3,222,913.00	
Hetch Hetchy Project,.....	<u>2,735,630.00</u>	
Total intangible property in service,.....	\$ <u>5,958,543.00</u>	
NOT IN SERVICE:		
Tangible property:		
Water Department,.....	\$ 860,582.58	\$ 553,266.25
Hetch Hetchy Project,.....	<u>58,690.84</u>	<u>35,589.86</u>
Total tangible property not in service,.....	\$ <u>919,273.42</u>	\$ <u>588,856.11</u>
UNDER CONSTRUCTION:		
Water Department:		
Balboa reservoir,.....	\$ 461,848.88	
Sunset reservoir,.....	950,391.59	
Crystal Springs pipe line No. 3,.....	195,481.43	
Water mains,.....	134,767.97	
Other,.....	<u>78,907.95</u>	
Total Water Department,.....	\$ <u>1,821,397.82</u>	
Hetch Hetchy Project:		
Cherry and Canyon power projects,.....	\$ 4,729,655.24	
Cherry Valley dam,.....	55,501.98	
Other,.....	<u>61,271.77</u>	
Total Hetch Hetchy Project,....	\$ <u>4,846,428.99</u>	
Total property under construction,.....	\$ <u>6,667,826.81</u>	
TOTAL PROPERTY, PLANT, AND EQUIPMENT,.....	<u>\$247,179,284.78</u>	<u>\$74,973,495.70</u>

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

ADDITIONS TO COMBINED PROPERTIES,
YEAR ENDED JUNE 30, 1958:

Water Department:

Land and rights of way,.....	\$	43,267.50
Buildings, structures, and grounds,.....		19,389.91
Source of water supply,.....		124,654.70
Transmission and distribution:		
Hillsborough tunnel,.....		1,438,114.03
Crystal Springs and Sunset supply line,.....		926,078.21
Water mains, meters, services, etc.,.....		864,535.55
Other,.....		22,904.55
Automotive equipment,.....		108,763.69
Other,.....		37,218.28

 Total Water Department,..... \$3,584,926.42

Hetch Hetchy Project:

Water plant,.....	\$	851.06
Electric plant,.....		104,608.09
Joint plant,.....		91,469.84
Total Hetch Hetchy Project,...	\$	<u>196,928.99</u>

TOTAL ADDITIONS TO COMBINED PROPERTIES,..... \$3,781,855.41

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF INCOME
FOR THE YEAR ENDED JUNE 30, 1958

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
OPERATING REVENUES (Note 2):				
Water sales,.....	\$13,699,043.65	\$4,030,000.00	\$13,699,043.65	\$4,030,000.00
Electrical energy sales,.....	<u>4,900,849.26</u>			<u>4,900,849.26</u>
Total operating revenues,....	<u>\$18,599,892.91</u>	<u>\$4,030,000.00</u>	<u>\$13,699,043.65</u>	<u>\$8,930,849.26</u>
OPERATING EXPENSES:				
Standby charge and purchases of water,....		\$4,030,000.00	\$4,030,000.00	
Purchases of electrical energy,.....	\$ 1,043,427.80			\$1,043,427.80
Production expenses,.....	<u>444,815.23</u>			<u>444,815.23</u>
Source of water supply,.....	501,240.75		501,240.75	
Pumping,.....	344,180.41		344,180.41	
Purification,.....	230,834.00		230,834.00	
Transmission and distribution,.....	2,717,148.12		1,245,514.88	1,471,633.24
Commercial,.....	676,475.51		662,712.51	13,763.00
Administrative and general,.....	2,316,843.61		1,568,907.29	747,936.32
Provision for doubtful accounts,.....	68,839.86		68,839.86	
Provision for depreciation,.....	<u>3,071,434.11</u>		<u>1,160,691.72</u>	<u>1,910,742.39</u>
Total operating expenses,....	<u>\$11,415,239.40</u>	<u>\$4,030,000.00</u>	<u>\$9,812,921.42</u>	<u>\$5,632,317.98</u>
OPERATING INCOME,.....	<u>\$ 7,184,653.51</u>		<u>\$ 3,886,122.23</u>	<u>\$3,298,531.28</u>
OTHER INCOME:				
Gain from sales of property,.....	\$ 383,617.72		\$ 321,404.59	\$ 62,213.13
Rentals received, including crop sales,...	369,075.10		340,512.27	28,562.83
Interest earned,.....	55,469.18		55,469.18	
Miscellaneous,.....	<u>67,908.54</u>		<u>58,342.94</u>	<u>9,565.60</u>
Total other income,.....	<u>\$ 876,070.54</u>		<u>\$ 775,728.98</u>	<u>\$ 100,341.56</u>
Total,.....	<u>\$ 8,060,724.05</u>		<u>\$ 4,661,851.21</u>	<u>\$3,398,872.84</u>
OTHER DEDUCTIONS:				
Interest on bonded debt,.....	\$ 2,000,878.57		\$ 724,962.54	\$1,275,916.03
Agricultural division and crop expense,...	100,045.77		100,045.77	
Miscellaneous,.....	<u>22,047.68</u>		<u>10,859.53</u>	<u>11,188.15</u>
Total other deductions,.....	<u>\$ 2,122,972.02</u>		<u>\$ 835,867.84</u>	<u>\$1,287,104.18</u>
EXCESS OF REVENUES OVER EXPENSES (Exhibit C)	<u>\$ 5,937,752.03</u>		<u>\$ 3,825,983.37</u>	<u>\$2,111,768.66</u>

NOTE: The accompanying notes to financial statements are an integral part of this statement of income.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1958

	COMBINED	WATER DEPARTMENT	HETCH HETCHY PROJECT
BALANCE, JULY 1, 1957,.....	\$120,492,336.30	\$55,309,789.44	\$65,182,546.86
ADDITIONS:			
Excess of revenues over expenses (Exhibit B),.....	5,937,752.03	3,825,983.37	2,111,768.66
Contribution from Federal government for construction of Cherry Valley dam,.....	13,570.00		13,570.00
Reduction of reserve for maintenance overhead with respect to amounts accumu- lated in prior years,.....	191,871.60	191,871.60	
Total,.....	\$126,635,529.93	\$59,327,644.41	\$67,307,885.52
INTERFUND TRANSFER - FIXED CAPITAL IN SERVICE TRANSFERRED TO THE WATER DEPARTMENT FROM THE 1947 HETCH HETCHY WATER BOND FUND,.....		34,328.01 (	34,328.01)
BALANCE, JUNE 30, 1958 (Exhibit A),.....	\$126,635,529.93	\$59,361,972.42	\$67,273,557.51

NOTE: The accompanying notes to financial statements are
an integral part of this statement of surplus.

EXHIBIT C

WATER DEPARTMENT AND HETCH HETCHY PROJECT

NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1958

NOTE:

1. Section 128 of the Charter of the City and County of San Francisco provides that the Public Utilities Commission shall make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recent appraisal as of June 30, 1953, have been given effect to in the accounts as of June 30, 1958. Additions to properties subsequent to June 30, 1953, have been recorded at cost. Depreciation for the year ended June 30, 1958, is based upon rates as set forth in the 1953 appraisal.

The major construction projects of the Water Department in progress at June 30, 1958, have total estimated costs of \$3,519,681.10. Costs to complete these projects are estimated at \$2,228,299.92 at that date.

On November 8, 1955, the electors of the City and County of San Francisco approved a bond issue in the amount of \$54,000,000.00 for the acquisition, construction, and completion of the Cherry and Canyon power projects in Tuolumne County, California. Bonds in the amounts of \$10,000,000.00, \$12,000,000.00, and \$5,000,000.00 were issued on April 1, 1957, November 1, 1957, and May 1, 1958, respectively. Expenditures to June 30, 1958, on these projects amounted to \$4,729,655.24. Costs to complete the portion of these projects which were in progress at that date are estimated at \$13,455,248.05. In September, 1958, a contract in the amount of \$5,230,174.50 was awarded for the construction of the Cherry powerhouse, and it is anticipated that other major contracts will be awarded during the fiscal year ended June 30, 1959. The Hetch Hetchy Project had no other major construction projects in progress as of June 30, 1958.

As a result of a rate survey, the property, plant, and equipment of Hetch Hetchy Project, formerly classified as being applicable to either water supply or power supply, were reclassified during the years ended June 30, 1957, and June 30, 1958, as being water, power, or joint plant as indicated in the accompanying Schedule 1 of Exhibit A.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1958

2. Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other consumers are billed bi-monthly.

The combining statement of income, Exhibit B, does not include recorded revenues from water delivered to certain municipal departments without charge which, if billed at regular rates, would have amounted to \$738,586.52; nor does the statement include a charge of an equal amount for municipal tax expense which is also included in the accounts of the Water Department. The amount of \$738,586.52 was computed and recorded in contra accounts in token of compliance with Section 64 of the Charter of the City and County of San Francisco, which provides that the accounts of each utility shall be maintained in such manner as to show estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated. However, in June, 1958, the Assessor of the City and County of San Francisco estimated Water Department real property taxes within San Francisco for the fiscal year ended June 30, 1957, would have amounted to \$1,708,880.00 had the utility been privately owned and operated.

Certain consumers entered into contracts with the Spring Valley Water Company which contracts entitled these consumers to water at reduced rates or free of charge. These contracts were assumed by the Water Department upon acquisition of that company's facilities by the City and County of San Francisco. Based upon a legal opinion by the City Attorney that these contracts were illegal and unenforceable, the Water Department billed consumers additional amounts representing the difference between the contract rates and scheduled rates as applied to water delivered under these contracts during the period from November 17, 1950, to June 30, 1958. Certain of these consumers filed claims against the City and County of San Francisco contesting the legality of the cancellation of these contracts, and for damages resulting therefrom. Reserves aggregating \$424,257.52 have been established by the Water Department to fully provide for possible adjustments of these additional charges. No provision has been made in the attached balance sheet for damages, if any, resulting from cancellation of these contracts.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1958

3. The combined bonded debt of the City and County of San Francisco applicable to the Water Department and Hetch Hetchy Project aggregated \$79,398,000.00 at June 30, 1958. This indebtedness was incurred upon the general faith and credit of the City and County of San Francisco and is summarized as follows:

	<u>Matured</u>	<u>Unmatured</u>	<u>Total</u>
Water Department:			
Spring Valley, July 1, 1928 -			
4-1/2%,	\$16,000.00	\$13,000,000.00	\$13,016,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 -			
2-1/2%,		408,000.00	408,000.00
Series D, November 1, 1949 -			
1-1/4% and 1-1/2%,		4,865,000.00	4,865,000.00
Series E, September 1, 1950 -			
1-1/4% and 1-1/2%,		741,168.00	741,168.00
Series F, August 1, 1953 -			
2-1/4% and 2-1/2%,		1,035,764.00	1,035,764.00
Total Water Department,	<u>\$16,000.00</u>	<u>\$20,049,932.00</u>	<u>\$20,065,932.00</u>
Hetch Hetchy Project:			
Water, July 1, 1910 - 4-1/2%, ..	\$ 1,000.00	\$ 7,000,000.00	\$ 7,001,000.00
Hetch Hetchy Water, January 1,			
1925 - 5%,		2,750,000.00	2,750,000.00
Hetch Hetchy, July 1, 1928 -			
4-1/2%,	2,000.00	12,000,000.00	12,002,000.00
Hetch Hetchy, June 1, 1932 -			
2-3/4% to 5-3/4%,	3,000.00	2,500,000.00	2,503,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 -			
2-1/2%,		3,342,000.00	3,342,000.00
Series E, September 1, 1950 -			
1-1/4% and 1-1/2%,		2,114,832.00	2,114,832.00
Series F, August 1, 1953 -			
2-1/4% and 2-1/2%,		204,236.00	204,236.00
1949 Cherry Valley Dam:			
Series A, March 1, 1952 -			
1-1/4%,		480,000.00	480,000.00
Series B, December 1, 1952 -			
1-1/2% and 1-3/4%,		2,185,000.00	2,185,000.00
Forward,	<u>\$ 6,000.00</u>	<u>\$32,576,068.00</u>	<u>\$32,582,068.00</u>

(Continued) - 3.

CITY AND COUNTY OF SAN FRANCISCO
 WATER DEPARTMENT AND HATCH HETCHY PROJECT
 NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1958

	<u>Matured</u>	<u>Unmatured</u>	<u>Total</u>
Total Water Department (Forward),	\$16,000.00	\$20,049,932.00	\$20,065,932.00
Hatch Hetchy Project (Forward),...	\$ 6,000.00	\$32,576,068.00	\$32,582,068.00
1955 Hatch Hetchy Power:			
Series A, April 1, 1957 -			
2-1/2% to 6%,.....		9,750,000.00	9,750,000.00
Series B, November 1, 1957 -			
3% to 6%,.....		12,000,000.00	12,000,000.00
Series C, May 1, 1958 -			
2% to 6%,.....		5,000,000.00	5,000,000.00
Total Hatch Hetchy			
Project,.....	\$ 6,000.00	\$59,326,068.00	\$59,332,068.00
Total,.....	\$22,000.00	\$79,376,000.00	\$79,398,000.00

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the succeeding five years follows:

<u>Year Ending June 30</u>	<u>Amount</u>
1959,.....	\$5,647,000.00
1960,.....	5,647,000.00
1961,.....	5,647,000.00
1962,.....	5,987,000.00
1963,.....	6,612,000.00

4. The Water Department carries insurance coverage with insurance carriers against losses from boiler explosion, burglary, plate glass breakage, automobile public liability and property claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Water Department acts as self-insurer against other losses including other property casualty losses, other public liability and property damage claims, and workmen's compensation claims.

The Hatch Hetchy Project carries insurance coverage with insurance carriers against losses from public liability and property damage claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Hatch Hetchy Project acts as self-insurer against other losses, including other property casualty losses and workmen's compensation claims.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1958

5. Under provision of Section 122 of the Charter of the City and County of San Francisco, the Hetch Hetchy Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1958.
 6. The Water Department was contingently liable as of June 30, 1958, under various property damage, personal injury, and water rate suits. The Hetch Hetchy Project was contingently liable as of that date under various suits for alleged damages to wells and springs, and property damage. The aggregate amount of actual liability on these suits is indeterminable as of the date of this report.
-

Municipal Railway of San Francisco



REPORT ON EXAMINATION

FOR THE YEAR ENDED

JUNE 30, 1958

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

120 MONTGOMERY STREET
SAN FRANCISCO 4

August 28, 1958.

Honorable H. D. Ross,
Controller, City and County
of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the financial statements of the Municipal
Railway of San Francisco for the year ended June 30, 1958, listed below:

Balance Sheet, June 30, 1958 (Exhibit A).

Summary of Fixed Capital - Road and
Equipment for the Year Ended June 30,
1958 (Schedule 1).

Summary of Accumulated Depreciation of
Fixed Capital - Road and Equipment
for the Year Ended June 30, 1958
(Schedule 2).

Unmatured Bonded Debt, June 30, 1958
(Schedule 3).

Statement of Income for the Years Ended
June 30, 1958 and 1957, and Comparison
(Exhibit B).

Statement of Surplus for the Year Ended
June 30, 1958 (Exhibit C).

Notes to Financial Statements.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and related statements of income and surplus present fairly the financial position of the Municipal Railway of San Francisco at June 30, 1958 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We present the following comments:

OPERATIONS

Operations for the year ended June 30, 1958 resulted in a loss of \$3,030,106 as compared with a loss of \$1,929,892 for the preceding year. These results, which are set forth in detail in Exhibit B, are summarized and compared as follows:

	...Year Ended June 30...		Increase (Decrease)
	1958	1957	
Operating income:			
Passenger revenue.....	\$19,620,619	\$20,033,834	\$ (413,215)
Advertising, rents, etc.....	221,499	208,428	13,071
Total operating income.....	19,842,118	20,242,262	(400,144)
Operating expenses.....	22,788,616	21,973,174	815,442
Loss from operations.....	2,946,498	1,730,912	1,215,586
Other expenses.....	255,700	252,802	2,898
Total.....	3,202,198	1,983,714	1,218,484
Other income.....	172,092	53,822	118,270
Net loss.....	<u>\$ 3,030,106</u>	<u>\$ 1,929,892</u>	<u>\$1,100,214</u>

Statistical records of the Railway show the mileage traveled during the past two years by the various types of equipment operated as follows:

Type of Equipment	.....Year Ended June 30.....		.....1957.....		Increase (Decrease) Mileage
	Mileage	Per Cent of Total	Mileage	Per Cent of Total	
Electric street-cars:					
Two-man.....	763,261	2.81	1,844,002	6.79	(1,080,741)
One-man.....	2,601,352	9.59	1,774,549	6.53	826,803
Total.....	3,364,613	12.40	3,618,551	13.32	(253,938)
Motor coaches....	14,844,787	54.74	13,999,127	51.54	845,660
Trolley coaches..	8,502,388	31.35	9,175,785	33.78	(673,397)
Cable cars.....	409,950	1.51	367,899	1.36	42,051
Total....	<u>27,121,738</u>	<u>100.00</u>	<u>27,161,362</u>	<u>100.00</u>	<u>(39,624)</u>

Operating income and expenses are expressed in cents per mile of operation as follows:

	.....Cents Per Mile.....		Increase (Decrease)
	Year Ended June 30 1958	1957	
Operating income:			
Passenger revenue.....	72.343	73.759	(1.416)
Advertising, rents, etc.....	.817	.767	.050
Total operating income	<u>73.160</u>	<u>74.526</u>	<u>(1.366)</u>
Operating expenses:			
Maintenance and repairs:			
Way and structures.....	2.878	2.793	.085
Equipment.....	7.948	8.198	(.250)
Total.....	<u>10.826</u>	<u>10.991</u>	<u>(.165)</u>
Power.....	6.738	6.906	(.168)
Conducting transportation.....	42.564	41.075	1.489
General and miscellaneous	9.019	8.834	.185
Payroll taxes.....	.963	.900	.063
Total.....	<u>70.110</u>	<u>68.706</u>	<u>1.404</u>
Provision for accident claims.....	6.149	5.532	.617
Depreciation.....	3.894	3.836	.058
Rent of leased motor coaches.....	3.737	2.825	.912
Rent of leased streetcars.....	.134		.134
Total operating expenses.....	<u>84.024</u>	<u>80.899</u>	<u>3.125</u>
Loss from operations.....	<u>10.864</u>	<u>6.373</u>	<u>4.491</u>

Operating income - passenger revenue in 1958 was \$413,215 less than 1957. The decrease was attributable principally to a 1.52% decrease in number of revenue passengers carried and a minor decrease in the average fare for the year. The effect of these factors on total passenger revenue is shown in the following:

Decrease in revenue due to decrease in number of revenue passengers carried (2,159,560, times the average fare of the preceding year, or \$.140865).....	\$304,206
Decrease in revenue due to decrease in average fare (number of revenue passengers carried during the year, 140,060,356, times the decrease in the average fare of \$.000778).....	<u>109,009</u>
Total.....	<u>\$413,215</u>

The increase and decrease in operating expenses for 1958 as compared with 1957 for each of the major account classifications, segregated between payroll and other costs, are tabulated as follows:

	Increase (Decrease) .....In Operating Expenses.....		
	Total	Payroll	Other
Maintenance and repairs:			
Way and structures.....	\$ 21,960	\$ 25,740	\$ (3,780)
Equipment.....	<u>(71,157)</u>	<u>(61,807)</u>	<u>(9,350)</u>
Total.....	(49,197)	(36,067)	(13,130)
Power.....	(48,485)	(14,599)	(33,886)
Conducting transportation.....	387,738	389,368	(1,630)
General and miscellaneous.....	46,985	60,575	(13,590)
Payroll taxes.....	<u>16,700</u>		<u>16,700</u>
Total.....	353,741	399,277	(45,536)
Provision for accident claims.....	165,215		165,215
Depreciation.....	14,230		14,230
Rent of leased motor coaches.....	245,925		245,925
Rent of leased streetcars.....	<u>36,331</u>		<u>36,331</u>
Increase in operating expenses.....	<u>\$815,442</u>	<u>\$399,277</u>	<u>\$416,165</u>

Total payroll costs in 1958 were more than 1957 because of increases in rates of pay effective July 1, 1957. The comparative rates applicable to the principal payroll classifications follow:

<u>Classification</u>	<u>Number Employed*</u>	<u>Period</u>	<u>Rates Effective ..During Fiscal Year..</u>	
			<u>1957-1958*</u>	<u>1956-1957</u>
Platform men.....	1950	Hour	\$ 2.244	\$ 2.10
Trackmen.....	42	Day	20.04	18.60
Shop mechanics.....	32	Day	19.96	18.87
Senior shop mechanics...	91	Day	23.48	22.20
Automotive mechanics....	62	Week	110.70	107.50
Automotive machinists...	39	Week	115.70	112.50
Car cleaners.....	89	Month	\$310-\$355	\$285-\$330
Inspectors.....	103	Month	410- 470	385- 445
General clerks.....	95	Month	300- 360	285- 340

* In accordance with wage and salary ordinance for 1957-1958.

Rates of pay increased but payroll costs for maintenance and repairs of equipment decreased \$61,807 in 1958 mainly as a result of the substitution of the newer sixty-six used one-man streetcars and additional new leased diesel coaches for older motor coaches and two-man streetcars which coaches and streetcars were retired. During the year the older equipment was operated approximately 2,000,000 fewer miles than in the preceding year with a comparable increase in mileage by the newer leased equipment.

The decrease of \$14,599 in payroll costs for power was accounted for by the elimination of the cable power house at California and Hyde Streets during 1958. Power for both the California and Mason cable lines was provided by the Washington and Mason power house.

The net decrease in other power expenses consisted of the following:

Decrease in expense for electricity used in streetcar, trolley coach, and cable car operations - net.....		\$45,138
Less:		
Increase in expense for gasoline and diesel fuel used in motor coach operations.....	\$2,254	
Increase in miscellaneous other power expenses.....	<u>8,998</u>	<u>11,252</u>
Decrease in power expenses - net.....		<u>\$33,886</u>

Statistical records of the Railway indicated that the electrical power expense decrease resulted primarily from the types of equipment involved having been in service 114,747 fewer hours than in the preceding year, the rates per kilowatt hour remaining substantially constant.

Gasoline and diesel fuel expense increased \$2,254 (or .247%); however, statistical records show that motor coaches were operated an additional 845,660 miles in 1958 (or an increase of 6.04%). This resulted from increased use of leased diesel coaches aggregating 1,956,929 miles at an average fuel cost per mile of \$.04332 and decreased use of other coaches aggregating 1,111,269 miles at an average fuel cost per mile of \$.08700.

Provision for accident claims increased \$165,215 as a result of adjusting the provision rate to 8-1/2% in 1958 from 7-1/2% in 1957, applied to decreased gross passenger revenue in 1958.

Rent expense of leased coaches increased \$245,925. The increase was caused by the additional miles these coaches were operated during the year, inasmuch as rentals are paid in advance and are charged to operations on a per mile basis.

FINANCIAL POSITION

The financial position of the Railway at June 30, 1958, presented in detail in Exhibit A, is summarized and compared with the financial position at June 30, 1957 in the following statement:

	..... June 30..... 1958	1957	Increase (Decrease)
Assets:			
Fixed capital (net value).....	\$ 15,131,549	\$ 15,764,149	\$ (632,600)
Cash.....	2,984,858	4,690,105	(1,705,247)
Accounts receivable.....	79,730	73,452	6,278
Deferred charges:			
Materials and supplies...	636,261	672,164	(35,903)
Prepaid rentals of leased motor coaches.....	1,182,190	1,142,860	39,330
Prepaid rentals of leased streetcars.....	669,467		669,467
Commitments.....	900,729	1,327,584	(426,855)
Other.....	99,829	12,792	87,037
Total.....	<u>\$ 21,684,613</u>	<u>\$ 23,683,106</u>	<u>\$(1,998,493)</u>
Liabilities:			
Bonded debt.....	\$ 9,036,200	\$ 10,670,200	\$(1,634,000)
Bond interest payable.....	69,399	79,472	(10,073)
Accounts payable, commitments, etc.....	2,476,500	3,274,711	(798,211)
Estimated liabilities.....	2,829,896	2,835,350	(5,454)
Deferred credits.....	39,115	12,178	26,937
Contributed surplus.....	21,319,686	17,867,272	3,452,414
Deficit from operations....	(14,086,183)	(11,056,077)	3,030,106
Total.....	<u>\$ 21,684,613</u>	<u>\$ 23,683,106</u>	<u>\$(1,998,493)</u>

The decrease in cash at June 30, 1958 as compared with June 30, 1957 was accounted for as follows:

Funds applied:

Loss for year.....		\$3,030,106.04
Less non-cash charges to operations:		
Depreciation.....	\$1,056,028.47	
Obsolescence of materials and supplies.....	41,735.73	1,097,764.20
Net funds applied to loss for year.....		1,932,341.84
Increase in accounts receivable.....		6,277.43
Additions to fixed capital assets.....		794,561.86
Increase in deferred charges, including valuation adjustment of \$41,735.73 charged to operations - see above.....		374,812.38
Redemption of bonded debt.....		1,634,000.00
Decrease in bond interest payable.....		10,072.68
Decrease in accounts payable.....		798,210.40
Decrease in estimated liabilities - net.....		5,454.09
Total funds applied.....		<u>5,555,730.70</u>

Funds provided:

Contributions from General Fund of the City and County of San Francisco - from general taxes for operating expenses.....		3,452,413.72
Proceeds from the sale of fixed capital assets.....	177,905.86	
Less gain on the sale of fixed capital assets.....	51,844.56	126,061.30
Decrease in construction in progress.....		245,072.16
Increase in deferred credits.....		26,937.27
Total funds provided.....		<u>3,850,484.45</u>
Decrease in cash at June 30, 1958.....		<u>\$1,705,246.25</u>

FIXED CAPITAL (LESS ACCUMULATED
DEPRECIATION, \$21,606,256.37) - \$15,131,549.19

The recorded value of the Railway's investment in fixed capital assets, other than construction work in progress, at June 30, 1958, and the related accumulated depreciation are set forth in Schedules 1 and 2.

The fixed capital assets are recorded in the accounts principally at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

With the exception of the Market Street Extension which was recorded at appraised valuations as of September 29, 1944, additions to property, subsequent to June 30, 1938, were recorded substantially at cost. Acquisitions of property prior to June 30, 1938 were recorded at appraised valuations as of that date. California Street Cable Railway Company properties were purchased for \$150,000 from general funds of the City and County of San Francisco and contributed to the Railway.

In accordance with the provisions of Section 128 of the Charter, an appraisal of the properties of the Railway was made as of June 30, 1953 to determine the probable useful life, the values, and the reasonable annual depreciation based upon a revision of the previous appraisal made as of June 30, 1948. During the fiscal years ended June 30, 1954 and 1955, the net adjustments to the recorded values and accumulated depreciation resulting from this appraisal were recorded. It is anticipated that a similar appraisal as of June 30, 1958 will be made during the fiscal year ending June 30, 1959 and the resultant net adjustments recorded.

In connection with the appraisal as of June 30, 1953, the engineering report prepared by the Public Utilities Commission Engineers showed that the recorded values of non-operated track, roadway, and underground conduit amounted to \$2,497,988.49, all fully depreciated. Retirements of \$2,019,798.94 of the above assets and related depreciation have been made during the five years ended June 30, 1958 leaving a balance of \$478,189.55.

In addition, fully depreciated track, roadway, underground conduit, distribution system, poles, and fixtures with a recorded cost of \$370,823.60 were taken out of service since the appraisal as a result of the substitution of leased diesel coaches for two-man street cars formerly used on the Geary Street line. The retirement of these assets made during the current year amounted to \$314,189.00 leaving a balance of \$66,634.60.

Also taken out of service during the year ended June 30, 1958 were twenty-one two-man streetcars, substantially fully depreciated, with a recorded cost of \$368,468.70. We understand that all the two-man streetcars will be retired during the fiscal year ending June 30, 1959.

The Railway follows the practice of first recording depreciation of an addition to fixed assets in the year following that in which the asset is put in service and charging income with a full year's depreciation in the year of retirement.

Additions to road and equipment accounts during the year ended June 30, 1958 were as follows:

Way and structures:

Shifting slot rail and acquisition of cable car track - special work on California Street.....	\$473,215.18	
Installation of wyes and curves for J, K, and N streetcar lines.....	88,259.43	
Cable car spider assembly for use at power plant.....	5,653.48	
Installation of cable car track curves at Hyde and Washington Streets and Hyde and Jackson Streets.....	3,200.89	
Construction of cable car turntable at Beach and Hyde Streets.....	1,084.89	
Miscellaneous.....	<u>1,430.07</u>	
Total.....		\$572,843.94

Equipment:

Shop.....	21,769.80	
Office.....	8,085.81	
Miscellaneous.....	<u>5,918.37</u>	
Total.....		35,773.98

Power - Power plant equipment at California Cable Division.. 185,943.96

Total..... \$794,561.88

Recorded retirements to road and equipment accounts during the year ended June 30, 1958 are summarized in the following:

	<u>Road and Equipment</u>	<u>Accumulated Depreciation</u>
Way and structures:		
Cable car house, land, and buildings at California and Hyde Streets.....	\$ 518,885.75	\$ 437,929.80
Track, etc.:		
Geary Street, from Presidio Avenue to Thirty-third Avenue and Second Avenue, from Geary Street to Cornwall Street.....	314,189.00	308,075.74
Cable car track on California Street, from Market Street to Van Ness Avenue.....	245,223.00	242,985.38
Geary Street carhouse, in part.....	17,744.26	13,475.41
Motor coach turnaround at Highway One and Holy Cross Cemetery.....	1,547.99	619.20
Trolley poles:		
From Market Street Extension.....	780.81	741.77
Others	854.42	811.70
Sidewalk and parking meter pipe standards on the Embarcadero.....	76.69	19.15
Total.....	<u>1,099,301.92</u>	<u>1,004,658.15</u>
Equipment:		
Electric two-man streetcars - 70.....	846,237.25	825,237.25
Motor coaches - 28.....	373,144.82	367,278.91
Trolley coaches - 9.....	117,336.86	115,986.86
Furniture and office equipment (including \$75,746.63 at cost and accumulated depreciation of \$24,563.14, retired as a result of a physical inventory).....	27,109.11	25,925.62
Automobiles - 4.....	4,886.03	4,641.73
Fare box - 1.....	149.95	87.12
Total.....	<u>1,368,864.02</u>	<u>1,339,157.49</u>
Power - Power plant equipment at Washington and Mason Streets cable car house.....		
	54,762.00	53,051.00
Total.....	<u>\$2,522,927.94</u>	<u>\$2,396,866.64</u>

In accordance with a lease agreement with the St. Louis Public Service Company, sixty-six used one-man electric streetcars were received and put into operation during the year. These streetcars replaced ninety-two owned two-man electric streetcars, of which seventy were retired, twenty-one were taken out of service, and one was converted for other than passenger use.

We understand that motor coaches owned by the Railway will be retired as new leased diesel coaches are delivered and put into service, the number to be retired being determined as fleet requirements dictate.

The Railway's supplemental records showed that rolling stock was composed of the following equipment at June 30, 1958:

Streetcars (one-man):		
Owned.....	40	
Leased.....	<u>66</u>	
Total.....		106
Motor coaches:		
Owned.....	288	
Leased.....	<u>240</u>	
Total.....		528
Trolley coaches - owned.....		380
Cable cars - owned.....		<u>41</u>
Total.....		<u>1,055</u>

CASH - \$2,984,858.24

Cash at June 30, 1958 consisted of the following:

On deposit with the Treasurer of the City and County of San Francisco:	
Operating fund.....	\$2,913,861.92
1947 Municipal Railway Rehabilitation bond fund.....	53,668.82
Bond interest funds:	
1947 Municipal Railway Rehabilitation bond fund.....	1,850.00
Issue of December 1, 1913.....	232.50
Geary Street issue of 1910.....	22.50
Market Street issue of 1910.....	22.50
Bond redemption fund - Issue of December 1, 1913.....	<u>200.00</u>
Total on deposit with Treasurer.....	2,969,858.24
Revolving funds.....	<u>15,000.00</u>
Total.....	<u>\$2,984,858.24</u>

Funds on deposit with the Treasurer as shown by the Railway's records were reconciled to a copy of the Treasurer's report prepared by the audit staff of the Controller's Office.

Revolving fund bank accounts were verified by certifications obtained from the depositaries and reconciled with the books. Cash funds were counted or were confirmed by correspondence with the custodians.

ACCOUNTS RECEIVABLE - \$65,212.19

The detail of the principal accounts receivable at June 30, 1958 was as follows:

Fielder, Sorenson & Davis (advertising revenue) ..	\$21,345.44
United States Post Office Department (balance for quarter ended June 30, 1958 under contract to furnish transportation to mail carriers)	18,163.50
Johnson & Higgins of California (insurance refund)	8,512.28
San Francisco Unified School District (charter service)	6,790.10
State of California (job reimbursement)	2,925.14
Pacific Gas and Electric Company (pole rental) ..	2,855.88
Swinerton & Walberg (job reimbursement)	1,610.89
Crown Zellerbach Corporation (job reimbursement) ..	1,495.95
Other	<u>1,513.01</u>
Total	<u>\$65,212.19</u>

Requests for confirmation of the balances in their accounts as of June 30, 1958 were mailed to various debtors, and satisfactory replies were received for balances totaling \$32,713.60. Of the remaining balances, approximately 80% were compared with evidence of collection during July and August 1958. Based on this procedure it appears that no losses will be incurred in the collection of the accounts receivable at June 30, 1958.

MATERIALS AND SUPPLIES - \$636,260.77

The above represented the book valuation of inventories of materials and supplies aggregating \$636,259.77 and metal tokens carried in the accounts at the nominal amount of \$1.00.

The amount of materials and supplies inventories was determined by a tabulation of perpetual inventory records as of May 25, 1958, adjusted for subsequent receipts and issues to June 30, 1958. We were informed that physical counts were made by employees at various times during the year and that perpetual inventory records were adjusted to such counts. The inventories were priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

Our tests of the quantities in the inventory included a review of the perpetual records, as adjusted to employees' counts, and test counts of quantities selected at random. Inventory pricing and computations were also tested by us.

PREPAID RENTAL OF LEASED
MOTOR COACHES - \$1,182,190.11

On May 16, 1955 the Railway entered into a contract with the Mack Motor Truck Corporation for the lease of a minimum of 440 diesel motor coaches, deliveries to be made as scheduled in the agreement over a period commencing December 1, 1955 and ending July 31, 1960. As of June 30, 1958, statistical records showed that 240 coaches had been received and placed in service, and that these coaches have operated 17,922,413 miles. The prepaid amount which consisted of advanced rental, interest, freight, and use taxes, will be applied to future operations on the basis of miles of operation.

PREPAID RENTAL OF LEASED
STREETCARS - \$669,467.07

On April 24, 1957 the Railway entered into a contract with the St. Louis Public Service Company for the lease over a period of nine years of sixty-six used one-man electric streetcars, all of which we understand were received and put into service at June 30, 1958. The \$669,467.07 consisted of advanced rental and related charges and will be applied to operations over the remaining life of the lease.

ESTIMATED LIABILITY FOR
ACCIDENT CLAIMS - \$2,668,251.27

Changes in this account during the year ended June 30, 1958 were as follows:

Balance, July 1, 1957.....		\$2,649,416.78
Provision for accidents.....		<u>1,667,752.58</u>
Total.....		4,317,169.36
Less:		
Claims paid and miscellaneous expenses, net of recoveries from insurance carriers.....	\$1,135,969.82	
Services of City Attorney's office.....	155,038.20	
Claims department payroll.....	197,744.15	
Cost of excess liability insurance coverage.....	<u>160,165.92</u>	<u>1,648,918.09</u>
Balance, June 30, 1958.....		<u>\$2,668,251.27</u>

Provision for accident claims has for several years been made on the basis of 7-1/2% of gross passenger revenue.

In view of the continuing decline in passenger revenue, however, with no accompanying decrease in accident claims presented, and the continuing increase in claim awards, beginning in the year ended June 30, 1958, the provision rate was adjusted upward to 8-1/2% of gross passenger revenue. Our examination of the history of claims presented compared with claim payments indicated that the balance at June 30, 1958 appeared adequate to meet payments reasonably to be expected under claims unsettled

at June 30, 1958. In this connection, should passenger revenue continue to decline with no decrease in claims and claim awards, future consideration should be given to a further upward adjustment of the provision rate in order to preserve the adequacy of the account balance.

ESTIMATED LIABILITY FOR EMPLOYEES'
COMPENSATION CLAIMS - \$161,000.00

The amount of this account has been established on the basis of information with respect to the aggregate of compensation claims of employees estimated to be outstanding at June 30, 1958, as furnished by the City and County of San Francisco Employee Retirement System.

Yours truly,

Haskins & Sells

MUNICIPAL RAILWAY OF SAN FRANCISCO

BALANCE SHEET, JUNE 30, 1958

ASSETS

FIXED CAPITAL (Note 1):	
Road and equipment (Schedule 1).....	\$36,702,738.51
Less accumulated depreciation (Schedule 2).....	21,606,256.37
Road and equipment - net.....	15,096,482.14
Construction in progress.....	35,067.05
Total fixed capital.....	\$15,131,549.19
CASH:	
On deposit with Treasurer.....	2,969,858.24
Revolving funds.....	15,000.00
Total cash.....	2,984,858.24
ACCOUNTS RECEIVABLE:	
INTERFUND ACCOUNTS RECEIVABLE:	65,212.19
Due from General City and County.....	11,527.45
Due from other public service enterprises.....	2,980.16
Total interfund accounts receivable.....	14,517.61
DEFERRED CHARGES:	
Materials and supplies - principally at average cost and at estimated scrap or useful value.....	636,760.77
Prepaid rental of leased motor coaches.....	1,182,190.11
Prepaid rental of leased streetcars.....	669,467.07
Other deferred charges.....	99,829.55
Uncompleted contracts, purchase orders, and other commitments (see contra).....	900,728.66
Total deferred charges.....	3,486,476.16
TOTAL.....	<u>\$21,684,613.39</u>

LIABILITIES

BONDED DEBT:	
Unmatured bonds (Schedule 3):	
Maturing within one year.....	\$ 1,634,000.00
Maturing subsequent to June 30, 1959.....	7,387,000.00
Total.....	9,036,000.00
Matured bonds not presented for payment.....	200.00
Total bonded debt.....	\$ 9,036,000.00
BOND INTEREST PAYABLE:	
Accrued but not due.....	67,271.47
Matured coupons not presented for payment.....	2,127.50
Total bond interest payable.....	69,398.97
ACCOUNTS PAYABLE, ACCRUED LIABILITIES, AND COMMITMENTS:	
Outstanding warrants and payroll deductions.....	1,058,507.72
General creditors.....	146,509.41
Accrued salaries and wages.....	2,640.25
Accrued social security taxes.....	13,062.22
Uncompleted contracts, purchase orders, and other commitments (see contra).....	900,728.66
Total accounts payable, accrued liabilities, and commitments.....	2,121,448.26
INTERFUND ACCOUNTS PAYABLE:	
Due to General City and County.....	290,040.51
Due to other public service enterprises.....	65,011.44
Total interfund accounts payable.....	355,051.95
ESTIMATED LIABILITIES (reserves):	
Accident claims.....	2,668,251.27
Employees' compensation claims.....	161,000.00
Outstanding tokens.....	644.67
Total estimated liabilities.....	2,829,895.94
DEFERRED CREDITS:	
SURPLUS (Exhibit C):	
Contributed surplus.....	21,319,686.03
Less deficit from operations.....	14,086,182.67
TOTAL.....	<u>\$21,684,613.39</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF INCOME FOR THE YEARS ENDED JUNE 30, 1958 AND 1957, AND COMPARISON

	.....YEAR ENDED JUNE 30.....		INCREASE (DECREASE)
	1958	1957	
OPERATING INCOME:			
Passenger revenue.....	\$19,620,618.62	\$20,033,834.37	\$ (413,215.75)
Advertising revenue.....	155,983.59	155,268.57	715.02
Rents.....	15,889.98	17,148.52	(1,258.54)
Other.....	49,625.33	36,010.97	13,614.36
Total.....	19,842,117.52	20,242,262.43	(400,144.91)
OPERATING EXPENSES:			
Maintenance and repairs:			
Way and structures.....	780,563.50	758,603.42	21,960.08
Equipment.....	2,155,673.92	2,226,831.23	(71,157.31)
Total.....	2,936,237.42	2,985,434.65	(49,197.23)
Power.....	1,827,363.53	1,875,848.67	(48,485.14)
Conducting transportation.....	11,544,163.63	11,156,425.62	387,738.01
General and miscellaneous.....	2,446,159.53	2,399,174.47	46,985.06
Payroll taxes.....	261,201.69	244,501.86	16,699.83
Total.....	19,015,125.80	18,661,385.27	353,740.53
Provision for accident claims.....	1,667,752.58	1,502,537.58	165,215.00
Depreciation (Schedule 2).....	1,056,028.47	1,041,798.34	14,230.13
Rent of leased motor coaches.....	1,013,378.03	767,452.70	245,925.33
Rent of leased streetcars.....	36,330.79		36,330.79
Total.....	22,798,615.67	21,973,173.89	825,441.78
LOSS FROM OPERATIONS.....	2,946,498.15	1,730,911.46	1,215,586.69
OTHER EXPENSES:			
Interest on bonded debt.....	182,051.07	200,922.05	(18,870.98)
Loss on fixed capital assets retired.....	31,913.38	40,814.13	(8,900.75)
Obsolescence of materials and supplies.....	41,735.73	11,066.68	30,669.05
Total.....	255,700.18	252,802.86	2,897.32
OTHER INCOME:			
Interest on bank balances.....	24,180.58	27,233.25	(3,052.67)
Gains from sales of fixed capital assets, proceeds from sale of scrap, and sundry income.....	130,766.22	68,066.32	62,699.90
Net adjustments to prior years' losses.....	17,145.49	(41,477.74)	58,623.23
Total.....	172,092.29	53,821.83	118,270.46
NET LOSS.....	\$ 3,030,106.04	\$ 1,929,892.49	\$1,100,213.55

The accompanying Notes to Financial Statements are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCOSTATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1958

CONTRIBUTED SURPLUS:

Balance, July 1, 1957.....	\$17,867,272.31	
Contributions from General Fund of the City and County of San Francisco - from general taxes.....	<u>3,452,413.72</u>	
Balance, June 30, 1958.....		\$21,319,686.03

DEFICIT FROM OPERATIONS:

Balance, July 1, 1957.....	11,056,076.63	
Net loss for year.....	<u>3,030,106.04</u>	
Balance, June 30, 1958.....		<u>14,086,182.67</u>

NET SURPLUS, JUNE 30, 1958.....		<u>\$ 7,233,503.36</u>
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The accompanying Notes to Financial Statements
are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1958

1. FIXED CAPITAL

Fixed capital - road and equipment - is stated at appraisal valuations as of June 30, 1953 plus subsequent additions at cost. Accumulated depreciation is stated at amounts determined by appraisal as of June 30, 1953 plus subsequent additions at rates based upon the estimated useful lives of the various classes of assets as determined by the appraisal or estimated for capital additions acquired subsequent to the appraisal.

No city or county property taxes or franchise taxes are paid by the Railway in the operation of its business.

The fixed capital accounts at June 30, 1958 included non-operated track, roadway, underground conduit, distribution system, poles, and fixtures, fully depreciated, in the aggregate amount of approximately \$1,135,000 and non-operated equipment, substantially fully depreciated, of approximately \$369,000. The amount of non-operated facilities included in the power classification has not as yet been determined by the Railway.

The provision for depreciation of fixed capital for the year ended June 30, 1958 amounted to \$1,056,028.47.

Certain of the motor coaches in operation are leased and under the terms of the contract additional coaches are to be leased and placed in operation. Each fleet of coaches is leased to the Railway for a period of six years with annual rentals computed on a mileage basis. Total rentals and related charges for the coaches in operation amounted to \$1,013,378.03 for the year ended June 30, 1958. Sixty-six used one-man electric streetcars are leased for a period of nine years from dates placed in service. The basic annual rental is on a per individual car basis and \$36,330.79 was charged to operations during the year ended June 30, 1958.

2. PENSION PLAN

The Railway, as a part of the City and County of San Francisco, has a compulsory retirement plan for full-time employees. The Retirement System is financed by contributions from the employees and the Railway through the City and County of San Francisco. Payments to the Retirement System for benefits, charged to income for the year ended June 30, 1958, amounted to approximately \$933,000, and were made in amounts on the basis of actuarial computations adequate to provide pensions for employees upon retirement. Amounts payable for past-service benefits were the liability of the City and County of San Francisco.

MUNICIPAL RAILWAY OF SAN FRANCISCO

SCHEDULE 1

SUMMARY OF FIRED CAPITAL - ROAD AND EQUIPMENT FOR THE YEAR ENDED JUNE 30, 1956

	JULY 1, 1957	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS	BALANCE JUNE 30, 1956
WAY AND STRUCTURES:					
Right of way.....	\$ 157,632.33				\$ 157,632.33
Other land.....	1,131,869.70		\$ 79,500.00		1,052,369.70
Grading.....	686,736.73	\$ 35,734.50	51,594.00		670,877.23
Ballast.....	346,931.95	4,737.60	29,291.00		327,378.55
Ties.....	220,622.98	4,253.52	9,222.00		215,334.40
Rails, rail fastenings, and joints.....	1,145,800.29	14,122.53	77,830.00		1,082,092.82
Special track work.....	435,936.00	59,375.28	30,729.00		464,582.28
Underground construction.....	1,640,316.85	311,958.86	178,118.00		1,774,157.71
Track and roadway labor.....	1,617,197.44	71,881.49	171,956.00		1,617,122.93
Paving.....	1,178,058.53	56,957.10	106,496.00		1,128,519.63
Roadway machinery and tools.....	66,287.10				66,287.10
Tunnels and subways.....	14,987.49				14,987.49
Bridges, trestles, and culverts.....	4,334.85				4,334.85
Crossings, fences, and signs.....	4,113.01				4,113.01
Signals and interlocking apparatus.....	13,335.76				13,335.76
Communication systems.....	54,180.99				54,180.99
Poles and fixtures.....	1,436,483.96	4,523.46	1,635.23		1,439,372.19
Underground conduits.....	459,246.79				459,246.79
Distribution system.....	3,801,710.25	8,806.95	9,176.00		3,801,341.20
General office buildings - cable cars.....	21,080.00		21,080.00		
Shops, carhouses, and garages.....	5,314,072.47	492.65	436,050.01		4,879,639.06
Stations - miscellaneous buildings and structures.....	174,087.20		1,624.68		172,462.52
Total.....	19,924,712.57	572,843.94	1,099,301.92	1,264.55	19,399,519.14
EQUIPMENT:					
Electric streetcars.....	1,861,425.24		551,917.00	(11,312.67)	1,318,195.57
Cable cars.....	329,001.48				329,001.48
Motor coaches.....	5,112,234.53		373,144.82	(16,147.60)	4,723,941.91
Trolley coaches.....	7,472,463.52		117,336.86		7,355,126.66
Parlor boxes.....	153,984.00		149.95		153,834.05
Service equipment - electric.....	73,487.04				73,487.04
Electric equipment of streetcars and trolley coaches.....	889,757.14		294,320.25		595,436.89
Streetcar and trolley equipment.....	245,068.97	21,769.80		47.89	266,847.06
Furniture and office equipment.....	238,428.22	5,918.37	4,886.03	(1,317.60)	242,142.96
Automotive and miscellaneous service equipment.....	17,251,338.14	35,773.98	1,368,864.02	(1,264.55)	15,916,983.55
Total.....					
Substation buildings.....	374,644.04				374,644.04
Power plant equipment - cable cars.....	150,706.00				150,706.00
Substation equipment.....	722,615.06	185,943.96	54,762.00		853,796.02
Transmission system.....	7,088.76				7,088.76
Total.....	1,255,053.86	185,943.96	54,762.00		1,386,235.82
POWER:					
Substation buildings.....	374,644.04				374,644.04
Power plant equipment - cable cars.....	150,706.00				150,706.00
Substation equipment.....	722,615.06				722,615.06
Transmission system.....	7,088.76				7,088.76
Total.....	1,255,053.86	185,943.96	54,762.00		1,386,235.82
TOTAL.....	\$28,431,104.57	\$794,561.88	\$2,522,927.94		\$26,702,738.51

Reference is made to Note 1 of Notes to Financial Statements.

ORIGINAL BALANCE SHEET OF THE COMPANY

SUMMARY OF ACCUMULATED INFORMATION OF THE CAPITAL - ROAD AND EQUIPMENT FOR THE YEAR ENDING JUNE 30, 1946

	BALANCE JULY 1, 1937	PROVISION FOR YEAR	RETIREMENTS	NET LIAB- ILITIES	TOTAL
ROAD AND STRUCTURES					
Grading.....	\$ 319,427.47	\$ 30,602.79	\$ 52,134.00		\$ 237,893.27
Excavation.....	253,858.82	7,085.31	76,791.00		284,152.13
Clearing.....	145,240.61	5,903.30	9,722.00		141,418.91
Rails, rail fastenings, and joints.....	793,244.13	22,891.76	72,981.00		743,054.89
Special track work.....	269,453.98	10,611.03	30,033.71		249,031.27
Underground construction.....	1,866,256.10	12,617.81	177,227.41		1,701,645.50
Track and roadway labor.....	851,669.20	57,945.44	71,982.00		836,632.64
Painting.....	810,272.94	28,140.19	436,466.00		1,151,946.93
Trackway machinery and tools.....	56,049.21	673.76			56,722.97
Tunnels and cuttings.....	14,887.49				14,887.49
Privileges, franchises, and culverts.....	3,467.84	108.37			3,576.21
Construction, fences, and signs.....	2,078.11	228.34			2,306.45
Signals and interlocking apparatus.....	7,645.97	567.15			8,213.12
Communication systems.....	41,063.32	4,463.90			45,527.22
Poles and fixtures.....	747,146.81	24,944.04			772,090.85
Underground conduits.....	284,799.99	8,433.02	1,553.47		292,730.48
Distribution system.....	1,520,596.21	93,067.35	7,799.60		1,619,753.96
General office buildings - cable cars.....	20,855.81	224.19	21,080.00		41,160.00
Shops, carhouses, and garages.....	2,434,469.07	102,519.44	430,325.21	1,123.95	2,107,787.25
Stations - miscellaneous buildings and structures.....	77,571.13	6,105.23	638.35		83,035.11
Total.....	10,039,754.21	417,239.84	1,774,658.15	1,264.55	9,453,600.15
EQUIPMENT					
Electric streetcars.....	1,180,992.98	58,675.91	537,917.00	(10,912.67)	690,839.22
Cable cars.....	321,365.48				321,365.48
Motor coaches.....	5,062,163.30	1,855.12	367,278.91		4,680,741.91
Trolley coaches.....	3,650,177.30	487,044.92	115,986.86	(15,997.60)	4,061,235.36
Fare boxes.....	81,228.14	9,650.69			90,791.91
Service equipment - electric.....	72,532.63	49.77		10,912.67	83,495.07
Electric equipment of streetcars and trolley coaches.....	609,211.16	19,882.53	267,320.25		341,773.44
Shop equipment.....	595,854.92	29,029.47		47.89	624,932.28
Furniture and office equipment.....	197,536.40	6,928.81	25,925.62	(1,312.44)	177,227.15
Automotive and miscellaneous service equipment.....	199,994.16	10,880.01	4,641.73	15,997.60	222,230.04
Total.....	12,011,056.47	623,997.43	1,339,157.49	(1,264.55)	11,294,631.86
POWER					
Substation buildings.....	275,756.62	7,663.33			283,419.95
Power plant equipment - cable cars.....	148,589.00		53,051.00		95,538.00
Substation equipment.....	465,204.22	7,127.87			472,332.09
Transmission system.....	6,734.02				6,734.02
Total.....	896,283.86	14,791.20	53,051.00		858,024.06
TOTAL.....	\$22,947,094.54	\$1,056,028.47	\$2,396,866.64		\$21,606,256.37

Reference is made to Note 1 of Notes to Financial Statements.

MUNICIPAL RAILWAY OF SAN FRANCISCO

UNMATURED BONDED DEBT
JUNE 30, 1958

INTEREST RATES	PRINCIPAL AMOUNT OF ANNUAL MATURITIES	MATURITY DATES	...PRINCIPAL AMOUNT OUTSTANDING... JUNE 30, 1958
REHABILITATION ISSUE OF 1947:			
Series A (dated February 1, 1948)....	\$433,000.00	February 1, 1959-63	\$2,165,000.00
Series B (dated August 1, 1948).....	559,000.00	August 1, 1958	559,000.00
	559,000.00	August 1, 1959-60	1,118,000.00
	560,000.00	August 1, 1961-63	1,680,000.00
Series C (dated March 1, 1949).....	400,000.00	March 1, 1959-64	2,400,000.00
Series D (dated August 1, 1949).....	104,000.00	August 1, 1958-60	312,000.00
	104,000.00	August 1, 1961-64	416,000.00
Series E (dated November 1, 1949)....	38,000.00	November 1, 1958-61	152,000.00
	38,000.00	November 1, 1962-64	114,000.00
Series G (dated March 1, 1952).....	120,000.00	March 1, 1959	120,000.00
		TOTAL.....	\$9,036,000.00

San Francisco School Department
(A Unified School District)



**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

JUNE 30, 1958

BENJAMIN H. HICKLIN
CERTIFIED PUBLIC ACCOUNTANT
408 RUSS BUILDING
SAN FRANCISCO 4

October 24, 1958

Honorable Harry D. Ross, Controller
City and County of San Francisco,
San Francisco, California

Dear Sir:

According to the terms of our engagement, we have examined the accounts and records of the San Francisco Unified School District for the fiscal year ended June 30, 1958.

There are presented herewith for your consideration:

EXHIBIT A COMBINED PROPRIETARY BALANCE SHEET - JUNE 30, 1958

EXHIBIT B STATEMENT OF SURPLUS - CURRENT FUND
For the fiscal year ended June 30, 1958

EXHIBIT C STATEMENT OF SURPLUS - CAPITAL FUNDS
For the fiscal year ended June 30, 1958

EXHIBIT D CURRENT FUND - COMPARATIVE STATEMENT OF REVENUES
AND EXPENDITURES
For the fiscal years ended
June 30, 1958 and June 30, 1957

EXHIBIT E FUNDS BALANCE SHEET - JUNE 30, 1958

EXHIBIT F RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH
FUNDS BALANCE SHEET AS OF JUNE 30, 1958

EXHIBIT G NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 1958
together with Schedules 1 to 4, inclusive, in analysis thereof.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Explanatory comments relative to the Exhibits and Schedules listed above, follow:

COMBINED PROPRIETARY BALANCE SHEET - EXHIBIT A

CASH \$16,606,232 comprised the aggregate of School Fund balances on deposit with the Treasurer, cash transfers outstanding, Revolving Funds, the Hume Foundation, together with the Bond Interest and Redemption Funds applicable to School bonds issued by the City and County of San Francisco. These balances are summarized in Exhibit A, with details in Schedule 1 and Schedule 2. The following shows the fund balances at June 30, 1958 by groups:

Balances on Deposit with Treasurer -		
Current Fund	- Exhibit A	\$ 8 686 403
Capital Funds	- Exhibit A	6 297 477
1948 School Bond Fund	\$ 509 680	
1956 School Bond Fund	5 610 837	
Real Property Fund	<u>176 960</u>	
Special Funds	- Schedule 1	453 324
Child Care Centers	181 803	
School Cafeterias	260 783	
County School Service	<u>10 738</u>	
Trust Funds	- Schedule 2	679 463
Withholding Tax	495 667	
Teachers' Annuity	22 775	
Teachers' Retirement	18 673	
Fund for Advancement of Education	105 402	
Miranda Lux Foundation	21 963	
Anna Steinberg Trust	1 046	
Will C. Steinbrunn Bequest	13 862	
Veterans' Education	<u>75</u>	
Total Cash on Deposit with Treasurer		\$ 16 116 667
Cash Transfers Outstanding	- Exhibit A	470 963
Revolving Funds	- Exhibit A	5 500
School District Revolving Funds	3 000	
Cafeteria Revolving Funds	<u>2 500</u>	
Hume Foundation Trust Fund - deposited in		
American Trust Company	- Exhibit A	<u>161</u>
Total School District Cash		\$ 16 593 291

Forward

Balances in the Bond Interest and Redemption funds of the City and County of San Francisco included in the Proprietary Balance Sheet as an offset to bonds and interest payable			12 941
Bonds matured	- unpaid - Schedule 1	\$ 7 000	
Bond interest matured-	unpaid - Schedule 1	5 941	

TOTAL CASH - JUNE 30, 1958 - EXHIBIT A \$ 16 606 232

Balances on deposit with the Treasurer are the balances of the various funds shown on the accounts of the Treasurer. Warrants drawn against those funds before July 1, 1958, but not presented to the Treasurer for payment before July 1, 1958 are shown as liabilities of the various funds in Exhibit A.

Cash transfers outstanding represents the aggregate of amounts in transfer between the various funds and were recorded as completed transactions on the School District ledger as of June 30, 1958, but the transfers were recorded in the accounts of the Treasurer after that date.

ACCOUNTS RECEIVABLE. \$ 871,052 represent amounts due to the Current Fund and Special Funds of the School District at June 30, 1958, as follows:

Delinquent taxes and penalties		\$ 309 336	\$ 309 336
Secured	\$ 309 336		
Unsecured	<u>521 782</u>		
Total Taxes and Penalties	\$ 831 118		
Less Reserve for unsecured taxes	<u>521 782</u>		
Other Accounts Receivable - Current Fund			491 850
Federal grant for school construction	125 054		
Tuition due from other counties and districts-			
Amount due, but not billed at June 30, 1958	240 603		
Tuition for prior years, not collected	482		
Federal subvention for aid to local education-			
estimated	100 000		
Federal subvention for vocational training of			
Veterans	5 254		
Student teacher training program	9 345		
Disputed salary payments of prior years,			
recoverable at termination of employment	5 857		
Miscellaneous	<u>5 255</u>		
		Forward	

Forward

Child Care Centers - State Apportionment	\$	23 641
School Cafeterias		46 225
Federal grant	\$ 43 015	
Undeposited sales receipts	2 608	
Miscellaneous	602	

TOTAL ACCOUNTS RECEIVABLE - JUNE 30, 1958 - EXHIBIT A \$ 871 052

Secured taxes and penalties have been recorded as assets and have been credited to income when assessed. All other accounts receivable have been recorded as assets, but have been offset by deferred credits and will be taken into income only after collection.

Federal grant for school construction, \$125,054, is the balance of a grant of \$1,250,531 for the construction of the Pelton Junior High School, formerly the Silver and Thomas Avenues Elementary School. Instalments are received on this grant as the construction of the school progresses.

INVENTORY - STORES - AT COST, \$787,626 comprises unissued supplies, furniture and equipment stored in various warehouses. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1957, January 31, 1958, February 28, 1958, and March 31, 1958. The general ledger accounts were adjusted to agree with the physical inventories as of the dates of the inventory taking.

INVENTORY - SHOP - AT COST, \$34,076 comprises the following:

Refinished furniture, not reissued	\$	5 268
Shop orders in process of completion		6 339
Materials and supplies		22 469

TOTAL INVENTORY - SHOP - JUNE 30, 1958 - EXHIBIT A \$ 34 076

FIXED CAPITAL PROPERTIES, \$113,949,441, is the aggregate recorded cost or valuation of land, buildings, improvements and equipment as shown

by the Controller's records as of June 30, 1958. Net additions during the fiscal year ended June 30, 1958 and the accumulated ledger values are summarized, as follows:

	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>
Additions per School District records -				
1948 School Bond Fund	\$ 1 593 703	\$	\$ 1 424 715	\$ 168 988
1956 School Bond Fund	480 221	226 611	253 610	
Current Fund	1 893 644	5 851	1 417 131	470 662
Child Care Centers Fund	9 547			9 547
Real Property Fund	41 630	41 630		
County School Service Fund	1 810			1 810
Total Additions	<u>\$ 4 020 555</u>	<u>\$ 274 092</u>	<u>\$ 3 095 456</u>	<u>\$ 651 007</u>
Deductions -				
Net reduction due to properties sold or otherwise disposed of - (see explanatory note)	\$ 312 302	\$ 206 535	\$ 70 485	\$ 35 282
Other reconciling items	1 710	1 710		
Total Deductions	<u>\$ 314 012</u>	<u>\$ 208 245</u>	<u>\$ 70 485</u>	<u>\$ 35 282</u>
Net additions per Controller's records for the fiscal year ended June 30, 1958	\$ 3 706 543	\$ 65 847	\$ 3 024 971	\$ 615 725
Add accumulated ledger values at July 1, 1957	110 242 898	14 158 285	85 858 456	10 226 157
TOTALS - JUNE 30, 1958 - PER CONTROLLER'S RECORDS - EXHIBIT A	<u>\$113 949 441</u>	<u>\$14 224 132</u>	<u>\$88 883 427</u>	<u>\$10 841 882</u>

Note - The reduction for land and buildings sold or otherwise disposed of includes \$91,436 applicable to the preceding fiscal year.

We did not test the cost of additions acquired through the 1948 School Bond Fund or the 1956 School Bond Fund as these funds were subject to examination by the certified public accountants engaged to examine the Controller's records.

At June 30, 1958 Fire and General Coverage Insurance in force on the School District Properties was \$86,637,000. Effective July 1, 1958 it was increased to \$89,310,000. We obtained an independent verification that the coverage, as stated, was in force on the dates stated.

BOND INTEREST PAYABLE AND ACCRUED, \$247,201, represents:

Matured coupons - not presented by bondholders	\$ 5 941
Interest accrued - not due at June 30, 1958	<u>241 260</u>
Total	<u>\$ 247 201</u>

Interest on the School Bonds is not recorded on the ledger of the Unified School District because the School Bonds and the interest thereon are a general obligation of the City and County of San Francisco. The bonds and interest are shown on the Proprietary Balance Sheet, Exhibit A, because those obligations were incurred for the acquisition of the Fixed Properties of the School District. This practice has been followed in prior years and the interest accrued but not due, \$241,260, is recorded as a deferred charge at June 30, 1958.

DEFERRED CREDIT - PROVISION FOR SICK LEAVES AND VACATIONS EARNED, \$67,817, is the estimated obligation of the School District for the sick leaves and vacations earned by the Cafeteria employees before July 1, 1958.

BONDED DEBT, \$44,296,000, is the aggregate of School bonds outstanding at June 30, 1958, after considering the sales and redemptions during the fiscal year ended June 30, 1958, as shown by the Controller's records, as follows:

	<u>Int. Rate</u>	<u>Balance July 1, 1957</u>	<u>Sold</u>	<u>Redeemed</u>	<u>Balance June 30, 1958</u>
AUTHORIZED IN 1922					
<u>Issued</u>					
Mar. 1, 1923	5.00%	\$ 3 003 000	\$	\$ 296 000	\$ 2 707 000*

AUTHORIZED in 1948

<u>Issued</u>					
Mar. 1, 1949-A	1.25	900 000		900 000	Nil
Mar. 1, 1949-A	1.50	3 000 000			3 000 000
Apr. 1, 1951-B	1.75	6 938 000		779 000	6 159 000
Mar. 1, 1952-C	1.50	7 600 000		240 000	7 360 000
Dec. 1, 1952-D	1.75	9 000 000		275 000	8 725 000
Aug. 1, 1953-E	2.50	3 840 000		320 000	3 520 000
Mar. 1, 1954-F	1.00	200 000		200 000	Nil
Mar. 1, 1954-F	1.25	1 000 000			1 000 000
Mar. 1, 1954-F	1.50	800 000			800 000
Mar. 1, 1954-F	1.75	400 000			400 000
Apr. 1, 1955-G	6.00	100 000		100 000	Nil
Apr. 1, 1955-G	1.75	3 700 000			3 700 000
Apr. 1, 1957	6.00	130 000		65 000	65 000
Apr. 1, 1957	2.25	130 000			130 000
Apr. 1, 1957	2.50	730 000			730 000

AUTHORIZED IN 1956

<u>Issued</u>					
Nov. 1, 1957-A	3.00	Nil	4 800 000		4 800 000
Nov. 1, 1957-A	4.75	Nil	400 000		400 000
Nov. 1, 1957-A	6.00	Nil	800 000		800 000

Totals		<u>\$41 471 000</u>	<u>\$6 000 000</u>	<u>\$3 175 000</u>	<u>\$44 296 000</u>
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* Includes \$7,000. matured but unpaid at June 30, 1958.

SURPLUS - EXCESS OF ASSETS OVER LIABILITIES - \$82,187,453, comprises the Current Surplus, Capital Surplus, Special Funds and Trust Funds detailed in Exhibit A and summarized as follows:

	<u>Assets</u>	<u>Liabilities</u>	<u>Surplus</u>
Current Fund	\$ 11 776 826	\$ 5 820 599	\$ 5 956 227
Capital Funds	123 281 371	47 420 588	75 860 783*
Special and Trust Funds	1 965 593	1 595 150	370 443
Totals	<u>\$137 023 790</u>	<u>\$54 836 337</u>	<u>\$82 187 453</u>

* Principally represented by land, buildings and equipment.

CONTINGENT LIABILITIES - INSURANCE

The School District does not carry general public liability insurance. The legal adviser of the School District advised us that he estimated the District's contingent liability for the school year 1958-59 would be \$100,000.

The School District does not carry workmen's compensation insurance covering employees other than those of the Child Care Centers. The Retirement Board of the City and County of San Francisco advised us that the unsettled workmen's compensation claims at June 30, 1958 approximated \$103,000.

We examined the insurance policies, other than fire, in force at June 30, 1958 which included the following:

Rental income - Lincoln Building - Fire and extended coverage. Actual rental not to exceed	\$ 354,000
Loss of specific property (camera and borrowed property)	2,513
Automobiles (including driver training program autos):	
Bodily injury (including non-ownership coverage)	\$200,000/500,000
Property damage	100,000
Fire and theft	Cash value
Collision (driver training vehicles only)	\$100 deductible
Child Care Centers	
Bodily injury	\$100,000/1,000,000
Property damage	\$5,000/25,000
Boiler	
City College	500,000
High Schools - each	250,000
All other schools - each	100,000
Valuable records	
Other than monies and securities	50,000
Blanket fidelity bond - each loss	25,000
Additional fidelity bond coverage	
Superintendent of Schools	25,000
Chief of Budget Division	15,000
Supervisor of Accounts	6,000
Board of Education members - each	2,500
Workmen's compensation	Statutory
General liability - warehouse	\$100,000/200,000
Typographical Equipment	12,265

REVENUES AND EXPENDITURES

A Comparative Statement of Revenues and Expenditures of the Current Fund for the fiscal years ended June 30, 1958 and June 30, 1957 is presented in Exhibit D, Schedule 3 and Schedule 4. The following is a summary of the comparative statements:

REVENUES	Fiscal years ended		Increase (Decrease)
	June 30, 1958	June 30, 1957	
Property Taxes and Penalties*	\$27 506 041	\$25 512 989	\$1 993 052
State of California -			
School funds apportionment	13 077 036	11 781 289	1 295 747
Retirement subventions	1 941 621	1 018 652	922 969
Other Revenues	2 008 490	2 337 281	(328 791)
Total Revenues - Schedule 3	\$44 533 188	\$40 650 211	\$3 882 977
Less Total Operating Expenses	41 161 918	39 772 783	1 389 135
Balance	\$ 3 371 270	\$ 877 428	\$2 493 842
Less Net Capital Outlays from Current Fund	1 476 602	927 264	549 338
Excess of Revenues over Expenditures, which was applied annually to Surplus	<u>\$ 1 894 668</u>	<u>\$ (49 836)</u>	<u>\$1 944 504</u>

Note - Items in () denote decreases or deficit.

* The School District tax rates for the General Fund and assessed valuations for the tax years 1956-57 and 1957-58 were as follows:

1956-57 tax rate	\$1.972106	- assessed valuation	\$1,305,520,897
1957-58 do do	2.043149	- assessed valuation	1,339,859,312

Revenues from the State School Fund comprises apportionments based upon the average daily attendance, certain excess expenses of educating handicapped children and for automobile driver training. The total revenue from the State for the fiscal year ended June 30, 1958 was, as follows:

	<u>Totals</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Average daily attendance - residents - see Notes 1 and 2	92,160	60,140	26,110	5,910
\$125.00 per pupil	<u>\$11 520 000</u>	<u>\$7 517 500</u>	<u>\$3 263 750</u>	<u>\$738 750</u>
Apportionment based upon increase in attendance over that of the prior year - see Note 3	<u>\$ 529 399</u>	<u>\$ 327 702</u>	<u>\$ 164 641</u>	<u>\$ 37 056</u>
Apportionment for excess expense of educating handicapped children:				
Physically handicapped -				
Average daily attendance	840	712	128	
Extra expense - not over \$600.00 per pupil	\$ 500 547	\$ 424 273	\$ 76 274	
Mentally retarded -				
Average daily attendance	1 303	972	331	
Extra expense - not over \$200.00 per pupil	\$ 258 814	\$ 193 068	\$ 65 746	
Severely mentally retarded-				
Average daily attendance	135	135		
Extra expense - not over \$450.00 per pupil	\$ 60 334	\$ 60 334		
Transportation expense of Certain handicapped children -				
Average daily attendance	367	367		
Expense to district - not over \$350.00 per pupil	\$ 119 112	\$ 119 112		
Total for handicapped children	<u>\$ 938 807</u>	<u>\$ 796 787</u>	<u>\$ 142 020</u>	
Automobile driver training -				
Number of pupils trained	2,538		2,538	
Apportionment - see Note 5	<u>\$ 88 830</u>		<u>\$ 88 830</u>	
Total State Apportionments	<u>\$13 077 036</u>	<u>\$8 641 989</u>	<u>\$3 659 241</u>	<u>\$775 806</u>

Explanatory Notes -

- 1- Attendance and apportionment data applicable to evening schools and the continuation school are included in the column for high schools above.

Explanatory Notes -

- 2- Average daily attendance for the previous year was the primary basis for apportionment in the current year. The average daily attendance listed in the above schedule is that of the year ended June 30, 1957.
- 3- The increase in average daily attendance is based on attendance reports for periods ended in December and April of the fiscal year ended June 30, 1958.
- 4- In the fiscal year 1957-58 the aggregate of the claims for excess expense of educating handicapped children exceeded the total available for this purpose. The apportionments for excess expense of educating handicapped children were reduced proportionately and the school districts received 99.314794% of the amounts claimed.

An amended report has been filed to correct a clerical error in the report for apportionment of excess expense of educating Handicapped children which will result in a reduction of the apportionment for the next fiscal year.

- 5- The apportionment for automobile driver training is the lower of:
 - (a) Actual cost, or
 - (b) \$35.00 times the number of pupils trained, but not to exceed the enrollment in grades 10, 11 or 12, whichever is greater.

A comparison of the average daily attendance for the past three years follows:

	<u>1957-58</u>	<u>1956-57</u>	<u>1955-56</u>
Elementary Schools	62,829	60,140	58,634
High Schools	27,673	26,110	24,792
City College	<u>6,194</u>	<u>5,910</u>	<u>5,889</u>
Totals	<u>96,696</u>	<u>92,160</u>	<u>89,315</u>

We examined the reports submitted to the State Department of Education as a basis for the State apportionment for the fiscal year 1958-59 and have tested the records in support thereof to satisfy ourselves that they fairly presented the average daily attendance during the fiscal year ended June 30, 1958.

The average daily attendance during the fiscal year ended

June 30, 1958 will be the basis for apportionment for the fiscal year ending June 30, 1959, as follows:

	<u>Total</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Total average daily attendance	96,696	62,829	27,673	6,194
Handicapped children -				
Physically handicapped	805	678	127	
Mentally retarded	1,338	828	510	
Severely mentally retarded	138	138		
Requiring special transportation	382	382		
Automobile driver training -				
Number of pupils trained	2,642		2,642	

Direct revenues increased \$3,910,686 during the fiscal year ended June 30, 1958 as compared with the year 1957.

Instruction salaries increased \$2,524,585 during the fiscal year ended June 30, 1958. Contributions to the City Retirement System decreased \$1,418,917 and the contributions to the State Teachers' Retirement System increased \$56,744. The decrease in contributions to the City Retirement System was due, in part, to legislation enacted in 1957. Current contributions to the City Retirement System are credited for certain public reserves released as the result of teachers electing to retire under the State Teachers' Retirement System instead of retiring under the San Francisco Retirement System.

Capital Outlays from Current Fund increased \$549,338 for the fiscal year ended June 30, 1958, compared with the preceding year.

GENERAL COMMENTS

CHILD CARE CENTERS

25 Child Care Centers were operated during the fiscal year ended June 30, 1958, with a total enrollment of 1,276 children at June 30, 1958. The average daily attendance during the fiscal year ended June 30, 1958 was 1,309. The total hours of child attendance

for the years ended June 30, 1958 and June 30, 1957 follows:

	Fiscal years ended		Increase
	June 30, 1958	June 30, 1957	(Decrease)
Hours of attendance			
Nursery (under 5 years, 9 months old)	1,127,547	1,059,875	67,672
School age (over 5 years, 9 months old)	1,062,339	1,020,317	42,022
Total hours of attendance	<u>2,189,886</u>	<u>2,080,192</u>	<u>109,694</u>

A comparative statement of revenues and expenditures of the Child Care Centers for the fiscal years ended June 30, 1958 and June 30, 1957, follows:

REVENUES	Fiscal years ended		Increase
	June 30, 1958	June 30, 1957	(Decrease)
State Apportionment	\$ 523 616	\$ 468 368	\$ 55 248
Fees from parents	335 998	359 629	(23 631)
District taxes	247 357	205 120	42 237
Federal grants	11 483	11 126	357
Miscellaneous	2 601	2 310	291
TOTAL REVENUES	<u>\$1 121 055</u>	<u>\$1 046 553</u>	<u>\$ 74 502</u>
EXPENDITURES			
Administration	\$ 71 017	\$ 67 086	\$ 3 931
Instruction	636 266	619 296	16 970
Auxiliary services	17 977	17 791	186
Operation	142 013	140 394	1 619
Maintenance	17 133	17 310	(177)
Fixed charges	12 599	12 050	549
Food	191 813	178 804	13 009
Capital outlays	9 547	15 477	(5 930)
TOTAL EXPENDITURES	<u>\$1 098 365</u>	<u>\$1 068 208</u>	<u>\$ 30 157</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 22 690</u>	<u>\$ (21 655)</u>	<u>\$ 44 345</u>

COUNTY SCHOOL SERVICE FUND

The revenue and expenditures of the County School Service Fund for the year ended June 30, 1958 were as follows:

Revenue from State Apportionment	\$166 604
Revenue from San Francisco Unified School District	56 429
Total Revenue	\$223 033
Less Expenditures	212 295
Office of County Superintendent of Schools	\$ 8 120
Bureau of Research	9 319
Audio-Visual Education	163 621
Library Service	14 996
Budgeting and Accounting	7 845
Special Administrative Expenses	1 480
Teachers Institute	1 914
Unexpended Balance - County School Service Fund - June 30, 1958	<u>\$ 10 738</u>

CAFETERIAS

46 complete cafeteria units and 22 branch cafeteria units, which were serviced from the kitchens of complete units, were operated by the School District during the fiscal year ended June 30, 1958.

A comparative statement of income and expenditures of the School Cafeterias for the fiscal years ended June 30, 1958 and June 30, 1957 follows:

	Fiscal years ended		Increase
	June 30, 1958	June 30, 1957	(Decrease)
REVENUES			
Sales - Cafeterias	\$1 362 539	\$1 274 786	\$ 87 753
Sales - Mid-morning lunches	181 581	170 920	10 661
Contributions from the Department of Public Health of the City and County of San Francisco for mid-morning milk	5 600	8 150	(2 550)
Federal grants			
Current year	256 368	254 585	1 783
Additional amounts applicable to prior years	923	1 700	(777)
Other adjustments to recorded income of prior years	548	70	478
TOTAL REVENUES	<u>\$1 807 559</u>	<u>\$1 710 211</u>	<u>\$ 97 348</u>
EXPENDITURES			
Cost of Food	\$1 166 070	\$1 049 925	\$116 145
Salaries	493 884	456 127	37 757
Meals for student help	35 641	38 444	(2 803)
Supplies and Expenses	65 020	60 510	4 510
Provision for sick leave and vacations	72 628	71 128	1 500
Adjustments to recorded expenses of prior years		3 154	(3 154)
TOTAL EXPENDITURES	<u>\$1 833 243</u>	<u>\$1 679 288</u>	<u>\$153 955</u>
BALANCE - NET INCOME	<u>\$ (25 684)</u>	<u>\$ 30 923</u>	<u>\$ (56 607)</u>

The net income of the cafeterias is held in trust for cafeteria operations only.

ACADEMIC ATHLETIC ASSOCIATION

Receipts and disbursements of this student body activity during the fiscal year ended June 30, 1958 were as follows:

Cash Available - July 1, 1957		\$ 2 088
Add Receipts		34 131
Admission fees	\$ 32 373	
Programs	1 430	
Other receipts	328	
		<hr/>
Total Available		\$ 36 219
Less Expenses in connection with activities		23 017
Football expenses	\$ 10 572	
Basketball expenses	5 834	
Swimming expenses	384	
Track expenses	1 230	
Baseball expenses	1 862	
Programs	1 264	
Miscellaneous expenses	1 871	
		<hr/>
Balance		\$ 13 202
Less Distributions to Schools		<u>10 034</u>
Balance June 30, 1958 - In Trust		<u>\$ 3 168</u>

The balance of this fund at June 30, 1958 is deemed to be held in trust for those schools participating in the Academic Athletic Association.

STUDENT BODY FUNDS

The student body funds and the accounting records of the funds are maintained at the schools and are subject to internal audit at regular intervals by the School District's administrative office. We reviewed the audit program and working papers of audits made during the fiscal year and believe them to be adequate.

FUND FOR THE ADVANCEMENT OF EDUCATION \$99,718.

The transactions in this Fund during the fiscal year ended June 30, 1958 are summarized, as follows:

Cash on Deposit with the Treasurer July 1, 1957		\$192 861
Deduct Outstanding Warrants		<u>7 899</u>
Cash Available at July 1, 1957		\$184 962
Deduct Expenditures		85 244
Supervisor's salary	\$ 7 355	
Fellowship payments (sustenance)	51 738	
Consultants' fees	4 664	
San Francisco State College	21 453	
Student fees	\$ 4 519	
Supervisors' salary and expenses	16 216	
Clerical costs	<u>718</u>	
Technical publications		<u>34</u>
Balance Available - June 30, 1958		\$ 99 718
Treasurer's Balance June 30, 1958	\$105 402	
Less Outstanding Warrants	<u>5 072</u>	
Unexpended Balance - June 30, 1958 - Per Exhibit A	\$100 330	
Less amount due San Francisco Unified School District - General Fund - June 30, 1958	<u>612</u>	<u><u> </u></u>

In the trust agreement under which this grant was accepted and this trust fund was created provides that on July 1, 1959, or upon any earlier termination of the agreement or termination of the project for recruitment and training of teachers, any portion of the grant not expended or committed for the recruitment and training of teachers shall be returned to the grantor.

MIRANDA LUX FOUNDATION TRUST FUND \$20,882.

The transactions in this Fund during the fiscal year ended June 30, 1958 are summarized, as follows:

Cash on deposit with Treasurer - July 1, 1957		\$ 28 177
Deduct Outstanding Warrants		<u>5</u>
Balance Available at July 1, 1957		\$ 28 172
Add third instalment received April 3, 1958		<u>25 000</u>
Total Available		\$ 53 172
Deduct Expenditures - net		<u>32 290</u>
Supervisor's and teachers' salaries	\$ 17 919	
Laboratory assistants' salaries	3 669	
Supplies and other expenses - net	7 696	
Total Disbursements	\$ 7 742	
Less sales of supplies to students	<u>46</u>	
Equipment purchased		<u>3 006</u>
Balance Available - June 30, 1958		\$ 20 882
Treasurer's balance - June 30, 1958	\$ 21 963	
Less Outstanding Warrants	<u>14</u>	
Unexpended Balance - June 30, 1958	\$ 21 949	
Less amount due San Francisco Unified School District - General Fund - June 30, 1958	<u>1 067</u>	

This fund was established on April 3, 1956 when the School District accepted a grant of \$75,000 to establish a scientific laboratory in a high school. The grant was received by the School District in equal instalments of \$25,000 in April of each of the years 1956, 1957 and 1958. If the agreement is terminated for any reason, any trust monies not expended or legally committed and any valuable pieces of equipment purchased with trust monies are to be returned to the Miranda Lux Foundation.

WILL C. STEINBRUNN BEQUEST \$13,862.

The transactions in this Fund during the fiscal year ended June 30, 1958 are summarized as follows:

Cash on deposit with Treasurer - July 1, 1957		\$ 10 176
Add Receipts		13 772
Proceeds from sale of land	\$ 13 585	
Interest received on U. S. Certificate of Indebtedness		187
		<hr/>
Total Available		\$ 23 948
Deduct Expenditures		10 086
Cost of \$10,000 principal - 3.75% U. S. Certificate of Indebtedness due December 1, 1958	\$ 10 066	
Interest accrued thereon		20
		<hr/>
Balance Available - June 30, 1958		<u>\$ 13 862</u>

This fund represents a bequest of Will C. Steinbrunn to the City and County of San Francisco for educational purposes.

SCOPE OF THE EXAMINATION

Our examination included such tests of the School District's records and such other auditing procedures as we considered necessary in the circumstances.

The balances of bonds outstanding, bond interest funds, bond redemption funds and fixed capital properties accounts were taken from the records of the Controller of the City and County of San Francisco. Those funds and accounts were examined by independent certified public accountants engaged to examine the Controller's accounts.

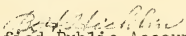
Student Body Funds are maintained at various schools and at the City College. Such funds were the subject of internal audit, at regular intervals, under the direction of the School District's administrative office. We examined the audit program and the working papers of audits made by the administrative office for the fiscal year ended June 30, 1958 and consider the audit reports examined to be adequate.

OPINION

In our opinion, based upon the scope of our examination described above, the accompanying Balance Sheets, Statements of Surplus and Statement of Revenues and Expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1958 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, audit program and the working papers relating to our examination have been made available to Mr. David F. Supple, consultant and statistician for the County Grand Jury.

Very truly yours,


Certified Public Accountant.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT A

COMBINED PROPRIETARY BALANCE SHEET AS OF JUNE 30, 1958

ASSETS

CASH

On deposit with Treasurer
Cash transfers outstanding
Revolving Funds
Other - Home Foundation

	Total	Current Fund	Capital Funds	Special Funds #	Trust Funds ##
\$ 16 129 608	\$ 8 686 403	\$ 6 297 477	\$ 466 265	\$ 679 463	
470 963					470 963
5 500	3 000		2 500		
161					161
\$ 16 606 232	\$ 8 689 403	\$ 6 297 477	\$ 466 765	\$ 1 150 587	

Total Cash

ACCOUNTS RECEIVABLE

Delinquent taxes and penalties
Less Reserve for unsecured property taxes

\$ 831 118	\$ 826 930	\$ 4 188			
521 782	519 952	1 830			

Balance - Secured taxes and penalties
Other accounts and subventions (contra)

\$ 309 336	\$ 306 978	\$ 2 358			
561 716	491 850	69 866			

Accounts Receivable - net

\$ 871 052	\$ 798 828	\$ 72 224			
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INTER-FUND ACCOUNTS

\$ 2 238	\$ 2 238				
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INVENTORIES AND DEFERRED CHARGES

Stores - at cost
Shop Inventory - at cost
Unexpired Insurance
Other supplies and expenses
Bond interest accrued

\$ 787 626	\$ 787 626	\$			
34 076	34 076				
13 480	13 480				
35 278	34 340	938			
241 260		241 260			

Uncompleted contracts and purchase orders (contra)

\$ 4 473 041	\$ 1 416 835	\$ 3 034 453	\$ 12 138	\$ 9 615	
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Total Inventories and Deferred Charges

\$ 5 584 761	\$ 2 286 357	\$ 3 034 453	\$ 254 336	\$ 9 615	
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INVESTMENTS

\$ 10 066			\$ 10 066		
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FIXED CAPITAL PROPERTIES (SEE NOTE 1)

\$ 113 949 441	\$ 113 949 441				
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TOTAL ASSETS

\$ 137 023 790	\$ 11 776 826	\$ 123 281 371	\$ 795 325	\$ 1 170 268	
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LIABILITIES AND SURPLUS

	<u>Total</u>	<u>Current Fund</u>	<u>Capital Funds</u>	<u>Special Funds *</u>	<u>Trust Funds **</u>
BOND INTEREST PAYABLE AND ACCRUED (SEE NOTE 1)	\$ 247 201	\$	\$	\$247 201	\$
ACCOUNTS PAYABLE AND COMMITMENTS					
Warrants and pay roll deductions outstanding	\$ 3 551 369	2 801 214	97 135	\$142 247	\$ 510 773
Accounts Payable - materials and services	483 590	462 933		20 657	
Accounts Payable - Trust Funds	502 436				502 436
Uncompleted contracts and purchase orders (contra)	4 473 041	1 416 835	3 034 453	12 138	9 615
Total Accounts Payable and Commitments	\$ 9 010 436	\$ 4 680 982	\$ 3 131 588	\$175 042	\$1 022 824
INTER-AGENCY ACCOUNTS					
Department of Public Works	\$	326 646		\$ 2 272	
Employees' Retirement System		242 704			
Other Agencies	81 491	80 601		890	
Total Inter-Agency Accounts	\$ 650 841	\$ 647 679		\$ 3 162	
INTER-FUND ACCOUNTS	\$	2 238		\$ 559	1 679
DEFERRED CREDITS					
Accounts Receivable (contra)	\$ 561 716	491 850		\$ 69 866	
Provision for sick leave and vacations earned	67 817	88		67 817	
Other Credits	88				
Total Deferred Credits	\$ 629 621	\$ 491 938		\$137 683	
BONDED DEBT	(SEE NOTE 1)	\$ 44 296 000	\$ 44 289 000	\$ 7 000	
SURPLUS - PER EXHIBITS B AND C	(SEE NOTES 2 AND 3)	\$ 82 187 453	\$ 5 956 227	\$ 75 860 783	\$224 678
TOTAL LIABILITIES AND SURPLUS	\$137 023 790	\$11 776 826	\$123 281 371	\$795 325	\$1 170 268

* Details of the various funds are shown on Schedule 1.
 ** Details of the various funds are shown on Schedule 2.

The notes to the financial statements, in Exhibit C, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT B

STATEMENT OF SURPLUS - CURRENT FUND

For the fiscal year ended June 30, 1958

BALANCE - JULY 1, 1957 - PER REPORT DATED OCTOBER 25, 1957	\$ 4 061 559
ADD EXCESS OF REVENUE OVER EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 1958 - PER EXHIBIT D	<u>1 894 668</u>
BALANCE - JUNE 30, 1958 - TO EXHIBIT A (SEE NOTE 2)	<u>\$ 5 956 227</u>

EXHIBIT C

STATEMENT OF SURPLUS - CAPITAL FUNDS

For the fiscal year ended June 30, 1958

BALANCE - JULY 1, 1957 - PER REPORT DATED OCTOBER 25, 1957	\$71 065 085
Deduct cost or assigned values of properties sold, transferred or retired during the fiscal year ended June 30, 1957, not previously reported	<u>91 436</u>
ADJUSTED SURPLUS - JULY 1, 1957	\$70 973 649
Add capital expenditures from non-capital funds, per San Francisco Unified School District records	1 487 959
Current Fund - per Schedule 4	\$1 476 602
Child Care Centers Fund	<u>11 357</u>
Add contributions by taxpayers to pay bonded debt matured during the fiscal year ended June 30, 1958	3 169 000
Add proceeds from sales of property during the fiscal year ended June 30, 1958	<u>451 040</u>
Total	\$76 081 648
Deduct cost, or assigned values, of properties sold during the fiscal year ended June 30, 1958	<u>220 865</u>
BALANCE - JUNE 30, 1958 - TO EXHIBIT A	<u>\$75 860 783</u>

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT D

CURRENT FUND

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES

For the fiscal years ended June 30, 1958 and June 30, 1957

	<u>Fiscal years ended</u>		<u>Increase</u>
	<u>June 30, 1958</u>	<u>June 30, 1957</u>	<u>(Decrease)</u>
REVENUES - PER SCHEDULE 3	\$ 44 533 188	\$ 40 650 211	\$ 3 882 977
OPERATING EXPENDITURES			
Administration	\$ 1 046 768	\$ 1 021 444	\$ 25 324
Instruction	29 376 707	26 860 658	2 516 049
Auxiliary Service	395 284	357 336	37 948
Operations	3 425 783	3 128 769	297 014
Maintenance	1 863 234	1 969 719	(106 485)
Fixed Charges	3 718 475	5 091 347	(1 372 872)
Transportation of Pupils	321 351	303 353	17 998
Food Service	154 388	170 312	(15 924)
Community Services	296 043	278 511	17 532
Tuition Paid to Other Districts	57 902	57 537	365
Total Direct Expenditures	\$ 40 655 935	\$ 39 238 986	\$ 1 416 949
Auxiliary (Indirect) Services			
Contributed by Department of			
Public Health	503 383	533 640	(30 257)
Rosenberg Television Project		157	(157)
John A. Lenehan Scholarship Fund	452		452
San Francisco Foundation - Group			
Relations Project	2 148		2 148
Less Total Operating Expenditures -			
per Schedule 4	\$ 41 161 918	\$ 39 772 783	\$ 1 389 135
BALANCE	\$ 3 371 270	\$ 877 428	\$ 2 493 842
NET CAPITAL OUTLAY FROM CURRENT			
FUNDS - PER SCHEDULE 4	1 476 602	927 264	549 338
EXCESS OF REVENUE OVER EXPENDITURES-			
TO EXHIBIT B	\$ 1 894 668	\$ (49 836)	\$ 1 944 504

Note - Items in () denote decreases.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT E

FUNDS BALANCE SHEET AS OF JUNE 30, 1958

(As shown by the Accounts of the Controller)

ASSETS

	Total	Cash Available	Accounts Receivable	Construct. fund Grant Receiv.	Unsold Bonds	Deferred Charge	Invest- ments
CURRENT FUNDS	\$ 6 962 352	\$ 5 885 189	\$ 949 196	\$ 125 054	\$ 2 238	\$ 675	\$
CAPITAL FUNDS							
Real Property	\$ 176 960	\$ 176 960			\$		
1948 School Bond	503 096	503 096					
1956 School Bond	26 520 286	5 520 286			21 000 000		
Total Capital Funds	\$27 200 342	\$ 6 200 342			\$21 000 000		
OTHER FUNDS							
Withholding Tax	\$ 467 521	\$ 467 521					\$
Child Care Center	138 161	110 332	27 829				
Cafeteria	236 232	190 007	46 225				
Teachers' Annuity	16 090	16 090					
Teachers' Permanent	18 825	18 825					
Fund for Advancement of Education	100 330	100 330					
Miranda Lux Found.	21 949	21 949					
Anna Steinberg	1 046	1 046					
Will C. Steinbrunn	24 125	13 862	197				10 066
Veterans' Education	30	30					
County School Service	10 738	10 738					
Total Other Funds	\$ 1 035 047	\$ 950 730	\$ 74 251				\$ 10 066
TOTAL ASSETS	\$35 197 701	\$13 036 261	\$ 1 023 447	\$ 125 054	\$ 2 238	\$21 000 000	\$ 675 \$ 10 066

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

LIABILITIES

	Total	Encumbrances	Inter-agency Accounts	Inter-fund Accts.	Reserve for Taxes and Pen.*	Fund Balances			Trust and Agency Balances
						Appropriated but Unencumbered	Unappropriated		
CURRENT FUNDS	\$ 6 962 352	\$ 1 995 634	\$ 309 402	\$	\$ 519 952	\$ 241 259	\$ 3 896 105	\$	
CAPITAL FUNDS									
Real Property	\$ 176 960	\$	\$		\$	18 834	\$ 158 126		
1948 School Bond	503 096	223 916	5 932			228 560	44 688		
1956 School Bond	26 520 286	2 468 996	23 075			22 816 958	1 211 257		
Total Capital Funds	\$ 27 200 342	\$ 2 692 912	\$ 29 007	\$	\$ 23 064 352	\$ 1 414 071			
OTHER FUNDS									
Withholding Tax	\$ 467 521	\$	\$	\$	\$		\$ 467 521		
Child Care Center	138 161			482	1 830	5 013	94 879		
Cafeteria	236 232	35 281	676	77		5 000	231 155		
Teachers' Annuity	16 090						16 090		
Teachers' Permanent	18 825						18 825		
Fund for Advancement of Education	100 330	7 365		612			92 353		
Miranda Lux Found.	21 949	2 250		1 067			18 632		
Anna Steinberg	1 046						1 046		
Will C. Steinbrunn	24 125						24 125		
Veterans' Education	30						30		
County School Service	10 738					10 738			
Total Other Funds	\$ 1 035 047	\$ 44 896	\$ 676	\$ 2 238	\$ 1 830	\$ 20 751	\$ 326 034	\$ 638 622	
TOTAL LIABILITIES	\$ 35 197 741	\$ 4 733 442	\$ 339 085	\$ 2 238	\$ 5521 782	\$ 23 326 362	\$ 5 636 210	\$ 638 622	

* Reserve for Delinquent Taxes and Penalties.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT F

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET AS OF JUNE 30, 1958

ASSETS

	Total	Cash	Accounts Receivable	Inter-fund Accounts	Unsold Bonds	Inventories and Deferred Charges	Investments	Fixed Capital Properties
PROPRIETARY BALANCE SHEET - EXHIBIT A	\$137 023 790	\$16 606 232	\$ 871 052	\$ 2 238	\$	\$ 5 584 761	\$ 10 066	\$113 949 441
ADDITION								
Unsold 1956 School Bonds	\$ 21 000 000	\$	\$		\$21 000 000			
Reserve for unsecured property taxes	521 782		521 782					
Interest accrued on investment	177		177					
Deferred charge	675							
Total Additions	\$ 21 522 554	\$	\$ 521 979		\$21 000 000	\$ 675		
DEDUCT								
Fixed capital properties	\$113 949 441	\$	\$			\$		\$113 949 441
Warrants and pay roll deductions outstanding	3 551 769	3 551 369						
Revolving funds	5	5	300					
State Foundation Trust Fund	161	161						
Bond interest and redemption funds	12 941	12 941						
Accounts receivable	240 603		240 603					
Accounts receivable - Tuition from other districts								
Disputed salary payments not billed								
Recoverable at termination of employment	3 927							
Inventories and deferred charges	5 584 761			3 927		5 584 761		
Total Deductions	\$123 348 703	\$ 3 569 971	\$ 244 530			\$ 5 584 761		\$113 949 441
FUNDS BALANCE SHEET - EXHIBIT E	\$ 35 197 741	\$13 036 261	\$1 148 501	\$ 2 238	\$21 000 000	\$ 675	\$ 10 066	\$ Nil

The notes to the financial statements in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT F

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET AS OF JUNE 30, 1958

LIABILITIES AND SURPLUS

	Total	Bond Interest Payable and Accrued	Accounts Payable and Encumbrances	Inter- agency Accounts	Deferred Credits	Bonded Debt	Balance of Funds
PROPRIETARY BALANCE SHEET - EXHIBIT A	\$ 137 023 790	\$ 247 201	\$ 9 010 436	\$ 650 841	\$ 2 238	\$ 629 621	\$ 44 296 000
ADD							\$ 82 187 452
Unsold 1956 School Bonds	\$ 21 000 000						\$ 21 000 000
Reserve for unsecured property taxes	521 782				\$ 521 782		
Interest accrued on investments	197						197
Deferred charges	675						675
Total Additions	\$ 21 522 654				\$ 521 782		\$ 21 000 872
DEDUCT							
Bonded debt and surplus invested in fixed capital properties	\$ 113 949 441	\$			\$	\$ 44 289 000	\$ 69 660 441
Warrants and pay roll deductions outstanding	3 551 369		3 551 369				(502 436)
Accounts payable - Trust Funds			502 436				5 500
Revolving funds	5 500					7 000	
Bonds matured - unpaid	7 000						
Bond interest matured - unpaid	5 941	5 941					(241 260)
Bond interest accrued - not due	5 941	241 260					161
Hume Foundation Trust Fund	161						
Accounts receivable deferred credits - Items not recorded in Controller's records							
Items credited to income by Controller	244 530				244 530		(317 186)
Other deferred credits not deferred by Controller					317 186		(67 905)
Inventories and deferred charges					67 905		5 584 761
Excess of accounts payable and encumbrances shown by School District records over these obligations as shown by the Controller's records	5 584 761						
Total Deductions	\$ 123 348 703	\$ 247 201	\$ 4 276 994	\$ 311 756	\$ 629 621	\$ 44 296 000	\$ 73 587 131
	\$ 35 197 741	\$ Nil	\$ 4 733 442	\$ 339 085	\$ 2 238	\$ 521 782	\$ 29 691 194
FUNDS BALANCE SHEET - EXHIBIT E							\$ 23 326 362
Unencumbered appropriations							5 636 210
Unappropriated balances							138 622
Trust Funds							
Total							\$ 29 801 194

Note - Items in () denote decreases.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT G

NOTES TO THE FINANCIAL STATEMENT - JUNE 30, 1958

1- Fixed capital properties, bonded debt and bond interest, payable and accrued, are not recorded in the ledger of the San Francisco Unified School District, but have been added in this report.

Bonded debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the San Francisco Unified School District. They are shown in the Proprietary Balance Sheet, Exhibit A, because the proceeds of the bonds were used to acquire School District properties.

The amounts shown for fixed capital properties do not represent the value of properties and equipment presently owned by the San Francisco Unified School District, as the amounts shown include certain properties at cost and certain properties at appraised value when acquired.

2- The Surplus of the Current Fund at June 30, 1958 comprised:

Appropriations to be carried forward into the next fiscal year		\$ 3 430 247
Expenditures committed	\$ 3 426 487	
Expenditures not yet committed - appropriation for Pelton Junior High School	2 144	
San Francisco Foundation - Group Relations Project	853	
Other	<u>763</u>	
Unappropriated		2 525 980
Available only for capital outlay purposes	538 778	
Balance - July 1, 1957	\$ 121 738	
Sales of land	<u>417 040</u>	
Available for general purposes	<u>1 987 202</u>	
Surplus of the Current Fund - June 30, 1958		<u>\$ 5 956 227</u>

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT G

NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 1958 - Continued

3- At June 30, 1958 the contingent liability for personal injury claims was estimated by the legal advisor to the Board of Education to be not in excess of \$100,000.00.

At June 30, 1958 the contingent liability for workmen's compensation claims pending was estimated by the Retirement Board of the City and County of San Francisco to be approximately \$103,000.00.

4- Revenue, other than from secured taxes, is recorded only when monies are received by, or for the credit of, the School District. This practice is consistent with that of the preceding fiscal years.

5- The Board of Education, on March 26, 1957, accepted a grant of \$7,500.00 from the San Francisco Foundation to be used over five terms and is for a special study pertaining to group relationships in the schools, in order to obtain the most effective instructional program for the schools. The grant is payable \$1,500.00 before the beginning of the fall term of 1957 and \$1,500.00 every six months thereafter. During the fiscal year ended June 30, 1958 payments aggregating \$3,000.00 were received. This grant is in the nature of a trust, but it has been carried as a part of the Current Fund for accounting purposes. \$2,147.50 was expended during the fiscal year ended June 30, 1958 and the balance, \$852.50, is included in the appropriations carried forward at July 1, 1958.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 1

PROPRIETARY BALANCE SHEETS AS OF JUNE 30, 1958

SPECIAL FUNDS

	County			Fond Interest and	
	Child Care Centers	School Cafeterias	School Service	Redemption 1923	Note 1948
ASSETS					
CASH					
On deposit with Treasurer	\$ 466 265	\$ 181 803	\$ 260 783	\$ 10 738	\$ 7 925
Revolving funds	2 500		2 500		\$ 3 000
Total Cash	\$ 468 765	\$ 181 803	\$ 263 283	\$ 10 738	\$ 7 925
ACCOUNTS RECEIVABLE					
Delinquent taxes and penalties	\$ 4 188	\$ 4 188			
Less Reserve for unsecured property taxes	1 830	1 830			
Balance - Secured taxes and penalties	\$ 2 358	\$ 2 358			
Other accounts and subventions	69 866	23 641	46 225		
Accounts Receivable - Net	\$ 72 224	\$ 25 999	\$ 46 225		
DEFERRED CHARGES					
Other supplies and expenses	\$ 938	\$ 938			
Bond interest accrued	241 260			\$ 45 000	\$ 161 093
Uncompleted contracts and purchase orders	12 138	12 138			
Total Deferred Charges	\$ 254 336	\$ 12 138	\$ 938	\$ 45 000	\$ 161 093
TOTAL ASSETS	\$ 795 325	\$ 219 940	\$ 310 446	\$ 10 738	\$ 52 925
LIABILITIES AND SURPLUS					
BOND INTEREST PAYABLE AND ACCRUED	\$ 247 201	\$	\$	\$ 45 925	\$ 163 109
ACCOUNTS PAYABLE AND COMMITMENTS					
Warrants and pay roll deductions outstanding	\$ 142 247	\$ 71 471	\$ 70 776		
Accounts Payable - materials and services	20 657	20 657			
Uncompleted Contracts and purchase orders	12 138	12 138			
Total Accounts Payable and Commitments	\$ 175 042	\$ 104 266	\$ 70 776		
INTER-AGENCY ACCOUNTS					
Department of Public Works	\$ 2 272	\$ 2 272	\$		
Other Agencies	890	890			
Total Inter-Agency Accounts	\$ 3 162	\$ 3 162	\$ 77		
SAN FRANCISCO UNIFIED SCHOOL DISTRICT - CURRENT FUND	\$ 559	\$ 482	\$		
DEFERRED CREDITS					
Accounts Receivable	\$ 69 866	\$ 23 641	\$ 46 225		
Provision for sick leave and vacations earned	67 817		67 817		
Total Deferred Credits	\$ 137 683	\$ 23 641	\$ 114 042		
BONDED DEBT	\$ 7 000		\$	\$ 7 000	
SURPLUS	\$ 224 678	\$ 88 389	\$ 125 551	\$ 10 738	
TOTAL LIABILITIES AND SURPLUS	\$ 795 325	\$ 219 940	\$ 310 446	\$ 10 738	\$ 52 925

The notes to the Financial Statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 2

PROPRIETARY BALANCE SHEETS AS OF JUNE 30, 1958

TRUST FUNDS

	Cash With Treasurer	Other Cash Items In Trust	Uncompleted Contracts	Investments	Total Assets	Warrants Payable	Accounts Payable	Commit- ments	Total Liabilities	Unexpended Balances
Withholding Tax	\$ 495 667	\$ 437 933	\$	\$	\$ 933 600	\$ 466 079	\$ 467 521	\$	\$ 933 600	\$
Teachers' Annuity	22 775	14 198			20 883	16 090	16 090		36 973	
Teachers' Retirement	18 673	18 832			37 505	18 680	18 825		37 505	
Fund for Advancement of Education	105 402		7 365		112 767	5 072 *	612	7 365	13 049	99 718
Kirland Lux Foundation	21 963		2 250		24 213	14 *	1 067	2 250	3 331	20 882
Ann Steinberg Trust	1 046				1 046					1 046
Will C. Steinbrunn Bequest	13 862			10 066	23 928				23 928	
Veterans' Education	75				75					30
Hume Foundation					161	45			45	161
TOTALS	\$ 679 463	\$ 471 124	\$	\$ 9 615	\$ 10 066	\$ 170 268	\$ 510 773	\$ 9 615	\$ 1 024 503	\$ 145 765

* Due School District Current Fund.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 3

COMPARATIVE STATEMENT OF CURRENT FUND REVENUES

For the fiscal years ended June 30, 1958 and June 30, 1957

	Fiscal years ended		Increase
	June 30, 1958	June 30, 1957	(Decrease)
PROPERTY TAXES AND PENALTIES	\$ 27 506 041	\$ 25 512 989	\$ 1 993 052
APPORTIONMENTS FROM STATE OF CALIFORNIA (see Note 4)			
Elementary Schools	\$ 8 641 989	\$ 7 781 559	\$ 860 430
High Schools and City College	4 435 047	3 999 730	435 317
Retirements Subventions	1 941 621	1 018 652	922 969
Total Apportionments	\$ 15 018 657	\$ 12 799 941	\$ 2 218 716
OTHER REVENUE (see Note 4)			
San Francisco Housing Authority - in lieu of taxes	\$ 47 003	\$ 32 867	\$ 14 136
Federal and State vocational education subvention	62 331	61 812	519
Reimbursement for veterans' vocational training	60 542	65 801	(5 259)
Tuition from other counties and districts	147 483	184 626	(37 143)
Rentals	355 342	355 847	(505)
Public Law 874 and other Federal aid	354 230	394 258	(40 028)
Federal construction grant	375 159	625 265	(250 106)
Miscellaneous	100 017	82 713	17 304
Total Other Revenue	\$ 1 502 107	\$ 1 803 189	\$ (301 082)
TOTAL DIRECT REVENUES	\$ 44 026 805	\$ 40 116 119	\$ 3 910 686
John A. Lenahan Scholarship		452	(452)
San Francisco Foundation - Group Relations Project (see Note 5)	3 000		3 000
Auxiliary (Indirect) Revenue - Services of physicians, dentists and nurses of the Department of Public Health	503 383	533 640	(30 257)
TOTAL REVENUES - TO EXHIBIT D	\$ 44 533 188	\$ 40 650 211	\$ 3 882 977

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1958 and June 30, 1957

	Fiscal years ended		Increase
	June 30, 1958	June 30, 1957	(Decrease)
ADMINISTRATION			
Salaries	\$ 874 305	\$ 816 522	\$ 57 783
Supplies	63 375	59 716	3 659
Traveling Expenses	14 014	15 332	(1 318)
Other Expenses	95 074	129 874	(34 800)
Totals	\$ 1 046 768	\$ 1 021 444	\$ 25 324
INSTRUCTION - SALARIES			
Supervision	\$ 527 359	\$ 476 211	\$ 51 148
Elementary Schools	12 251 727	11 206 312	1 045 415
Special Schools	661 710	595 441	66 269
Junior High Schools	5 610 287	5 099 261	511 026
Senior High Schools	5 105 704	4 560 169	545 535
Adult Schools	990 865	927 790	63 075
Trade and Industrial Schools	478 148	425 556	52 592
Continuation School	199 934	183 258	16 676
City College	2 308 116	2 135 267	172 849
Totals	\$ 28 133 850	\$ 25 609 265	\$ 2 524 585
INSTRUCTION - SUPPLIES AND OTHER EXPENSES			
Educational Supplies	\$ 707 926	\$ 718 426	(10 500)
Books	302 977	271 352	31 625
Traveling Expenses	26 417	25 189	1 228
Other Expenses	205 537	236 426	(30 889)
Totals	\$ 1 242 857	\$ 1 251 393	\$ (8 536)
AUXILIARY SERVICES			
Compulsory Education	\$ 206 275	\$ 188 092	\$ 18 183
Guidance Service Centers	121 784	107 280	14 504
Student Placement Service	26 892	25 099	1 793
Nurse Service	17 000	11 280	5 720
Health Classes and Other Expenses	23 333	25 585	(2 252)
Totals	\$ 395 284	\$ 357 336	\$ 37 948
Totals Forward	\$ 30 818 759	\$ 28 239 438	\$ 2 579 321

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4 - Continued

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1958 and June 30, 1957

	<u>Fiscal years ended</u>		<u>Increase</u>
	<u>June 30, 1958</u>	<u>June 30, 1957</u>	<u>(Decrease)</u>
Totals Forward	\$ 30 818 759	\$ 28 239 438	\$ 2 579 321
OPERATION			
Janitors, Engineers and Gardeners-			
Salaries	\$ 2 425 729	\$ 2 222 879	\$ 202 850
Supplies	133 093	124 808	8 285
Gas and Electricity	408 323	379 937	28 386
Fuel	51 803	56 337	(4 534)
Water	62 909	59 463	3 446
Other Expenses	343 926	285 345	58 581
Totals	\$ 3 425 783	\$ 3 128 769	\$ 297 014
MAINTENANCE			
Repairs -			
Buildings and Grounds	\$ 1 507 606	\$ 1 629 201	\$ (121 595)
Janitors' Equipment	7 533	8 432	(899)
Educational Equipment	311 188	294 313	16 875
Other Expenses	36 907	37 773	(866)
Totals	\$ 1 863 234	\$ 1 969 719	\$ (106 485)
FIXED CHARGES			
Rents	\$ 8 376	\$ 8 494	\$ (118)
Insurance	33 607	39 392	(5 785)
Compensation and Accident Claims	47 273	42 299	4 974
Contributions to Retirement Systems-			
City	2 784 084	4 203 001	(1 418 917)
State	847 601	790 857	56 744
Other Expenses	(2 466)	7 304	(9 770)
Totals	\$ 3 718 475	\$ 5 091 347	\$ (1 372 872)
TRANSPORTATION OF PUPILS			
	\$ 321 351	\$ 303 353	\$ 17 998
FOOD SERVICE			
Cafeteria Supervision	\$ 75 494	\$ 72 896	\$ 2 598
Cafeteria Maintenance	34 312	44 905	(10 593)
Free Meals	26 946	34 640	(7 694)
Other Expenses	17 636	17 871	(235)
Totals	\$ 154 388	\$ 170 312	\$ (15 924)
Totals Forward	\$ 40 301 990	\$ 38 902 938	\$ 1 399 052

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4 - Continued

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1958 and June 30, 1957

	Fiscal years ended		Increase
	June 30, 1958	June 30, 1957	(Decrease)
Totals Forward	\$ 40 301 990	\$ 38 902 938	\$ 1 399 052
COMMUNITY SERVICES			
Recreation Program	\$ 195 547	\$ 185 594	\$ 9 953
Veterans' Counseling	37 909	36 400	1 509
Civic Center Activities	62 587	56 517	6 070
Totals	\$ 296 043	\$ 278 511	\$ 17 532
TUITION PAID TO OTHER DISTRICTS	\$ 57 902	\$ 57 537	\$ 365
TOTAL DIRECT EXPENDITURES	\$ 40 655 935	\$ 39 238 986	\$ 1 416 949
AUXILIARY (INDIRECT) SERVICES CONTRIBUTED BY DEPARTMENT OF PUBLIC HEALTH			
Medical Inspection	\$ 40 121	\$ 85 076	\$ (44 955)
Dental Inspection	63 647	61 436	2 211
Nurse Services	399 615	387 128	12 487
Totals	\$ 503 383	\$ 533 640	\$ (30 257)
ROSENBERG TELEVISION PROJECT	\$	\$ 157	\$ (157)
JOHN A. LENEHAN SCHOLARSHIP FUND	\$ 452	\$	\$ 452
SAN FRANCISCO FOUNDATION - GROUP RELATIONS PROJECT	\$ 2 148	\$	\$ 2 148
TOTAL OPERATING EXPENDITURES - TO EXHIBIT D	\$ 41 161 918	\$ 39 772 783	\$ 1 389 135
CAPITAL OUTLAYS FROM CURRENT FUND			
Land	\$ 5 850	\$ 25 453	\$ (19 603)
Buildings and Improvements	1 417 131	499 179	917 952
Equipment	470 662	487 226	(16 564)
Totals	\$ 1 893 643	\$ 1 011 858	\$ 881 785
Less Sales of Land and Buildings	417 041	84 594	332 447
NET CAPITAL OUTLAY FROM CURRENT FUND - TO EXHIBIT D	\$ 1 476 602	\$ 927 264	\$ 549 338

Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1958

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

September 25, 1958

Mr. Harry D. Ross
Controller
City and County of San Francisco

OFFICE OF THE TREASURER
Examination of Accounts
Fiscal Year Ended June 30, 1958

Dear Sir:

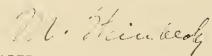
Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records. Mr. David F. Supple, Grand Jury Statistician, participated.

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.


In our opinion the accompanying report with schedules attached presents fairly the financial position of the Treasurer at June 30, 1958, and the results of its operation for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION


MARTIN STEINBECK
SUPERVISING ACCOUNTANT

APPROVED:


HARRY D. ROSS
CONTROLLER

REPORT ON EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1958, amounted to \$543,222,753.49 compared with June 30, 1957 total of \$429,313,610.28.

<u>Cash and Securities</u>	<u>June 30, 1958</u>	<u>June 30, 1957</u>
Cash and cash items	\$144,741,031.49	\$101,214,888.28
Securities (Par Value)	398,481,722.00	328,098,722.00
Total (Exhibit "A")	<u>\$543,222,753.49</u>	<u>\$429,313,610.28</u>

CASH AND CASH ITEMS \$144,741,031.49

Cash and Cash items (Exhibit "A"), are summarized as follows:

<u>Cash and Cash Items</u>	<u>June 30, 1958</u>	<u>June 30, 1957</u>
Cash and cash items on hand	\$ 2,019,590.87	\$ 2,664,998.49
Cash in banks	142,064,879.84	97,850,150.94
United States Bonds (Par Value)	96,550.00	68,750.00
Total	<u>\$144,181,020.71</u>	<u>\$100,583,899.43</u>
Cash items received after June 30, 1958 and applied to the fiscal year 1957-58	<u>560,010.78</u>	<u>630,988.85</u>
Total	<u>\$144,741,031.49</u>	<u>\$101,214,888.28</u>

The above \$144,741,031.49 was reconciled with the Controller's available cash of \$127,852,607.46; the difference of \$16,888,424.03 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

<u>Outstanding Items</u>	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants outstanding	\$14,056,425.78	\$2,737,264.50	\$16,793,690.28
Matured and unpaid bonds	7,000.00	22,200.00	29,200.00
Matured and unpaid coupons	14,440.00	51,093.75	65,533.75
Total	<u>\$14,077,865.78</u>	<u>\$2,810,558.25</u>	<u>\$16,888,424.03</u>

CASH AND CASH ITEMS ON HAND

The sum of \$2,019,590.87 consists of:

<u>Item</u>	<u>Amount</u>	<u>Comments</u>
Coin and currency	\$ 808,571.64	Verified by count.
Checks on hand for deposit	<u>1,211,019.23</u>	All current; deposited in bank July 1, 1958
Total	<u>\$2,019,590.87</u>	

CASH IN BANKS \$112,064,879.84

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

Bank	Amount on Deposit			Per Cent
	Inactive	Active	Total	
American Trust Co.	\$ 8,000,000.00	\$ 3,775,113.70	\$ 11,775,113.70	8.29%
Bank of America	30,050,000.00	35,460,357.39	65,510,357.39	46.12%
Bank of California	4,250,000.00	3,719,718.44	7,969,718.44	5.61%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	.70%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	.70%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.35%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	.91%
Crocker-Anglo Bank	11,875,000.00	7,113,095.34	21,988,095.34	15.48%
First Western Bank	6,500,000.00	4,087,775.97	10,587,775.97	7.65%
Hibernia Bank	250,000.00	250,000.00	500,000.00	.35%
Hongkong and Shanghai Bank	250,000.00	250,000.00	500,000.00	.35%
Pacific National Bank	2,750,000.00	1,000,000.00	3,750,000.00	2.64%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.35%
Wells Fargo Bank	10,500,000.00	4,683,819.00	15,183,819.00	10.70%
Total	<u>\$79,575,000.00</u>	<u>\$62,489,879.84</u>	<u>\$142,064,879.84</u>	<u>100.00%</u>
Percentage of Total	56.02%	43.98%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 53643:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

Supervisor's Resolution No. 3469, adopted August 16, 1937, authorized the Treasurer to enter into the necessary agreements with the banks, as required by law, for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

The amounts on deposit in banks June 30, 1958, (Exhibit "A-1") are within the limitations specified in Government Code Section 53638:

"The deposit shall not exceed the total of the paid-up capital and surplus of any depository."

Interest totaling \$1,165,020.73 was earned on inactive deposit balances during the fiscal year.

UNITED STATES BONDS (PAR VALUE) \$96,550.00

United States Bonds representing Superior and Municipal Court bail deposits, include \$16,850.00 for which court orders for release or forfeitures were issued.

CASH RECEIVED AFTER JUNE 30, 1958 \$560,010.78

This item represents 1957-1958 collections which were deposited with the Treasurer in July 1958:

<u>Date Deposited</u>	<u>Amount</u>
July 1, 1958	\$420,868.14
July 2, 1958	35,668.59
July 3, 1958	29,609.37
July 7, 1958	<u>73,864.68</u>
Total	<u>\$560,010.78</u>

SECURITIES (PAR VALUE) \$398,481,722.00

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

<u>SECURITIES CHARGED TO THE TREASURER</u>	<u>Par Value</u>	<u>Controller's Book Value</u>
BONDS:		
Employees' Retirement Fund	\$210,148,500.00	\$209,342,344.55
Bequest Funds	402,500.00	404,665.01
Trust Funds	15,000.00	15,585.00
Deposits on Leases	109,000.00	109,000.00
Miscellaneous	<u>1,475.00</u>	<u>1,475.00</u>
	<u>\$210,676,475.00</u>	<u>\$209,873,069.56</u>
MISCELLANEOUS:		
Corporate Stock (Bequest Funds)	\$ 247.00	\$ 2,094.25
Certified Checks (Deposits)	<u>18,000.00</u>	<u>18,000.00</u>
	<u>\$ 18,247.00</u>	<u>\$ 20,094.25</u>

<u>SECURITIES NOT CHARGED TO THE TREASURER</u>		<u>Market Value</u>
Collateral Securities	<u>\$187,787,000.00</u>	<u>\$188,331,346.14</u>
Total, June 30, 1958	<u>\$398,481,722.00</u>	<u>\$398,224,509.95</u>

BONDS (PAR VALUE) EMPLOYEES' RETIREMENT FUND \$210,148,500.00

Verification and physical count of bonds was made in conjunction with representatives of Farquhar & Heimbucher, Certified Public Accountants, in connection with audit of the Employees' Retirement System.

Pursuant to Controller's instructions, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1957-1958 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board.

Transactions during the year under review are summarized as follows:

Balance, June 30, 1957	\$193,390,500.00
Purchased	<u>19,670,000.00</u>
Total	\$213,060,500.00
Sold, called or matured	<u>2,912,000.00</u>
Balance, June 30, 1958	<u>\$210,148,500.00</u>

BONDS (PAR VALUE) BEQUEST AND TRUST FUNDS \$417,500.00 (EXHIBIT "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

BONDS(PAR VALUE) DEPOSIT ON LEASES \$109,000.00 (EXHIBIT "A"-2")

These bonds represent security on various leases of City and County property.

BONDS (PAR VALUE) MISCELLANEOUS \$1,475.00 (EXHIBIT "A-2")

The above represents deposits by various City and County departments for safe-keeping.

CORPORATE STOCK \$247.00 (EXHIBIT "A-2")

Represents par value of stocks belonging to bequest funds.

CERTIFIED CHECKS \$18,000.00

Represents three checks deposited with the Treasurer as security for faithful performance of contractual obligations.

COLLATERAL SECURITIES (PAR VALUE BONDS) \$187,787,000.00 (EXHIBIT "A-1")

The securities consist of Federal, State or other Government Bonds of a type required by Government Code Section 53651 and were approved by the Treasurer and City Attorney in accordance with Government Code Section 53655.

Government Code Section 53657 provides:

"The market value of securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities."

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1958 were less than face value of collateral deposited; the market value of said collateral exceeded the amount of deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS - UNSOLD (UNISSUED) \$95,300,000

Unsold (Unissued) City and County Bonds at June 30, 1958 represent the remainder of issues authorized by the electorate, as follows:

	Total Authorized	Sold Prior to 1957-1958	During 1957-1958	Unsold June 30, 1958
<u>Authorized Nov. 4, 1947</u>				
1947 Street Improvement	\$ 22,850,000	\$19,950,000	\$ 1,500,000	\$ 1,400,000
1947 Off-Street Parking	5,000,000	3,000,000	2,000,000	-0-
<u>Authorized June 1, 1948</u>				
1948 Sewage Treatment	15,000,000	14,550,000	450,000	-0-
<u>Authorized Nov. 4, 1952</u>				
1952 Fire House	4,750,000	4,200,000		550,000
<u>Authorized June 8, 1954</u>				
1954 Sewer	12,645,000	2,500,000	4,500,000	5,645,000
<u>Authorized Nov. 2, 1954</u>				
1954 Laguna Honda Home and Hospital	5,475,000	5,000,000	475,000	-0-
1954 Recreation Center	5,000,000		5,000,000	-0-
1954 S. F. Hospital	5,830,000	1,500,000	1,500,000	2,830,000
<u>Authorized Nov. 8, 1955</u>				
1955 Playground and Recreation Center	7,000,000		3,000,000	4,000,000
1955 Hetch Hetchy Power	54,000,000	10,000,000	17,000,000	27,000,000
<u>Authorized June 5, 1956</u>				
1956 Hall of Justice	19,475,000	1,475,000	1,500,000	16,500,000
<u>Authorized Nov. 6, 1956</u>				
1956 Schools	27,000,000		6,000,000	21,000,000
1956 S. F. International Airport	25,000,000		10,200,000	14,800,000
<u>Authorized June 3, 1958</u>				
1958 Recreation and Park	1,575,000			1,575,000
Total	<u>\$210,600,000</u>	<u>\$62,175,000</u>	<u>\$53,125,000</u>	<u>\$95,300,000</u>

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of bonds when a sale has been made by the Board of Supervisors.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designates the First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purpose of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensations earned during year ended June 30, 1958, follows:

	Par Value Paid and Cancelled	Authorized Rate	Compensation Earned 1957-1958
Bonds	\$ 8,469,000.00	1/20 of 1%	\$ 4,234.50
Coupons (220,053)	<u>3,036,347.50</u>	4¢ each	<u>8,802.12</u>
Total	<u>\$11,505,347.50</u>		<u>\$13,036.62 (1)</u>

(1) Includes \$2,989.86 for last quarter of 1957-1958 which was paid in 1958-1959.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by the Board of Supervisors' Resolutions No. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the fiscal year for City and County employees was \$732,506.25 as compared with \$758,062.50 for the prior fiscal year.

REVENUE AND EXPENDITURES (EXHIBIT "B")

Revenues exceeded expenditures and encumbrances by \$1,077,199.69. A comparison with the previous fiscal year follows:

<u>Revenues</u>	<u>1957-1958</u>	<u>1956-1957</u>
Interest earned on inactive bank deposits	\$1,165,020.73	\$763,679.74
Commissions received on Inheritance Tax Collections	52,219.18	40,000.00
Other Fees	103.50	123.50
Conscience Money	<u>40.00</u>	<u>645.00</u>
Total	\$1,217,383.41	\$804,448.24
<u>Expenditures and Encumbrances</u>		
Per Controller's records	<u>140,183.72</u>	<u>134,530.71</u>
Net Revenue	<u>\$1,077,199.69</u>	<u>\$669,917.53</u>

A five year comparative statement of revenues, expenditures and encumbrances is reflected on Exhibit B.

INTEREST ON INACTIVE BANK DEPOSITS \$1,165,020.73

In accordance with Government Code Sections 53645 and 53649, interest is computed at rates specified in depository agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	1957-1958 Budget Estimate	Interest Earned	
		1957-1958	1956-1957
General, Special Gas Tax and Special Road Impr. Funds	\$720,000.00	\$1,018,918.91	\$698,014.47
Municipal Railway	25,000.00	24,180.58	27,233.25
Water Operating	18,750.00	55,469.18	23,154.60
Redevelopment Agency		56,506.87	15,277.42
State County Fair Fund		9,945.19	
Total	<u>\$763,750.00</u>	<u>\$1,165,020.73</u>	<u>\$763,679.74</u>

The \$24,180.58 credited to the Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$1,043,099.49 on the basis of the Treasurer's daily balances in that fund.

The credit to the Water Operating Fund, the Redevelopment Agency Fund, and the State County Fair Fund was earned on inactive bank deposits used exclusively for those funds.

COMMISSIONS ON INHERITANCE TAX COLLECTIONS \$52,219.18

Inheritance Tax Commissions and settlements with the State for the twelve months ending May 31, 1958, are summarized as follows:

Inheritance Tax Collections		\$6,281,839.61
Less disbursements:		
Payments to State	\$5,977,232.71	
Refunds	237,118.34	
Appraiser's Fees	<u>15,269.38</u>	<u>6,229,620.43</u>
Commissions earned fiscal year 1957-1958		<u>\$ 52,219.18</u>

Accounts maintained for Inheritance Tax purposes are recorded on State controlled pre-numbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, as amended by Statutes of 1957, the maximum commissions a Treasurer of a county of the second class may retain is \$50,000.00 for a calendar year. The commissions received cover the period September 11, 1957 through May 31, 1958. The commissions of \$2,219.18 in excess of the \$50,000.00 limitation is due to the change in maximum commissions from \$40,000.00 to \$50,000.00 effective September 11, 1957.

OTHER FEES \$103.50

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "Listing contents of a Safe Deposit Box" is collected in accordance with Sections 14144 and 14146 of the Revenue and Taxation Code.

CONSCIENCE MONEY \$10.00

This represents various remittances received from unidentified sources and classified as "Conscience Money".

EXPENDITURES AND ENCUMBRANCES \$110,183.72

Expenditures and encumbrances, compared with budget appropriations for 1957-1958 are as follows:

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent Salaries	\$123,674.24	\$123,546.51
Allowance for overtime	250.00	175.59
Contractual Services	13,650.00	13,612.24
Use of Employees' Cars	385.00	382.59
Materials and Supplies	1,448.00	1,277.95
 <u>By Purchaser</u>		
Telephone and Telegrams	200.00	-0-
City Directory	78.00	78.00
Stationery withdrawn from stores	75.00	51.61
Equipment	200.00	176.80
Reproduction Bureau	900.00	882.43
 Total	<u>\$110,860.24</u>	<u>\$110,183.72</u>

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

CASH DIFFERENCE FUND

Ordinance No. 68-58, approved February 14, 1958 created a Cash Difference Fund and an Overage Fund in connection with certain offices and departments of the City and County and prescribed the method for the administration of the funds. Ordinance No. 69-58, approved February 14, 1958 appropriated the sum of \$500.00 and established the funds in the custody of the Treasurer.

As at June 30, 1958, the Treasurer's records disclosed disbursements totalling \$38.00 from the Cash Difference Fund. The balance in the fund - \$462.00 - was verified by actual count.

SWIFTY BOND - TREASURER

In accordance with Charter Section 31, John J. Goodwin, Treasurer of the City and County of San Francisco, is bonded for \$200,000.00 by St. Paul Fire and Marine Insurance Company's Bond No. 404 CBO 343 in favor of the City and County of San Francisco and/or State of California, for a period of one year commencing January 8, 1958. The bond was recorded December 18, 1957 and is in the custody of the Controller as provided by Charter Section 67.

SURETY BOND OF EMPLOYEES

Pursuant to Ordinance No. 8075, Blanket Bond No. 404 CBO 438 of St. Paul Fire and Marine Insurance Company, expiring April 10, 1959 covers all employees of the City and County of San Francisco, under Section 6 for Fidelity and under Section 7 up to \$50,000.00 for any one employee or the sum of \$50,000.00 for any one loss. The bond is on file with the Controller.

In addition Section 14.4 of Ordinance No. 8075 specifies that the following employments in the Treasurer's Office be bonded for faithful performance:

- 2 Cashiers
- 4 Senior Tellers
- 3 Tellers
- 1 Senior Accountant
- 1 Accountant
- 1 Head Clerk
- 3 General Clerks

Positions in the Treasurer's Office not covered under Section 14.4 are:

- 1 Supervisor-Inheritance Tax Division
- 1 General Clerk
- 1 General Clerk Stenographer

It is recommended that the bond be amended to include all employments in the Treasurer's Office under Section 14.4.

FORGERY INSURANCE

Forgery Insurance up to \$100,000.00 is provided by Fidelity and Deposit Company of Maryland, Police No. 26 64 241 B for a period of three years commencing May 15, 1957. This policy is on file with the Controller.

OTHER INSURANCE

The Treasurer's Office carries no burglary or robbery insurance either as to inside or outside risks. The banks provide their own messenger service for all transactions in the Treasurer's Office. All checks for deposit are microfilmed for identification before being delivered to the bank messenger.

Ed. Note:

Exhibits A-1 and D reflect detail of transactions presented in summary form in the body of the foregoing report. They have not been reproduced in this publication.

SUMMARY OF CASH AND SECURITIES

	<u>June 30th</u>	
<u>CASH AND CASH ITEMS</u>	<u>1958</u>	<u>1957</u>
<u>CASH AND CASH ITEMS ON HAND</u>		
Coin and currency	\$ 808,571.64	\$ 832,302.04
Checks on hand for deposit	<u>1,211,019.23</u>	<u>1,832,696.45</u>
	\$ 2,019,590.87	\$ 2,664,998.49
<u>CASH IN BANKS</u>		
Active Accounts	\$ 62,489,879.84	\$ 38,775,150.94
Inactive Accounts	<u>79,575,000.00</u>	<u>59,075,000.00</u>
	\$142,064,879.84	\$ 97,850,150.94
<u>UNITED STATES BONDS (PAR VALUE)</u>	<u>\$ 96,550.00</u>	<u>\$ 68,750.00</u>
<u>CASH RECEIVED AFTER JUNE 30, 1958</u> <u>AND APPLIED TO FISCAL YEAR 1957-1958</u>	<u>\$ 560,010.78</u>	<u>\$ 630,988.85</u>
Total (Exhibit "C" and "D")	<u>\$144,741,031.49</u>	<u>\$101,214,888.28</u>
<u>SECURITIES</u>		
<u>BONDS (PAR VALUE)</u>		
Collateral from Banks (Exhibit "A-1")	\$187,787,000.00	\$134,078,000.00
Employees' Retirement Fund	210,148,500.00	193,390,500.00
Bequest Funds	402,500.00	486,500.00
Trust Funds	15,000.00	15,000.00
Deposit on Leases	109,000.00	109,000.00
Miscellaneous Deposits	<u>1,475.00</u>	<u>1,475.00</u>
	\$398,463,475.00	\$328,080,475.00
<u>OTHER</u>		
Bequest Funds (Corporate Stock)	\$ 247.00	\$ 247.00
Contract Deposits (Certified Checks)	<u>18,000.00</u>	<u>18,000.00</u>
	\$ 18,247.00	\$ 18,247.00
Total	\$398,481,722.00	\$328,098,722.00
Total Cash and Securities	<u>\$543,222,753.49</u>	<u>\$429,313,610.28</u>

BEQUEST, TRUST FUNDS AND MISCELLANEOUS ASSETS
IN JOINT CUSTODY VAULT JUNE 30, 1958S U M M A R Y

<u>BEQUEST FUNDS</u>	<u>Bonds</u> <u>Par Value</u>	<u>Corporate</u> <u>Stock</u> <u>Face Value</u>	<u>Controller's</u> <u>Book Value</u>
Herzstein	\$ 8,000.00		\$ 8,379.01
Marx	2,000.00		2,072.86
Olsen	1,000.00		978.75
Robinson	10,000.00		10,237.50
Strybing	200,000.00		201,250.00
Windel	15,000.00		15,009.38
Fuhrman	116,500.00		116,671.88
Sutro	5,000.00		5,000.00
Steinbrunn	10,000.00		10,065.63
McLean	5,000.00		5,000.00
Brunetti		\$ 39.00	94.25
Lewis		208.00	2,000.00
Total	<u>\$402,500.00</u>	<u>\$ 247.00</u>	<u>\$406,759.26</u>

TRUST FUNDS

Panama Pacific Exposition	<u>\$ 15,000.00</u>		<u>\$ 15,585.00</u>
Total Bequest and Trust Funds	<u><u>\$417,500.00</u></u>	<u><u>\$ 247.00</u></u>	<u><u>\$422,344.26</u></u>

DEPOSITS ON LEASES

S. F. Holding Company	\$100,000.00		\$100,000.00
Studinger and Ward	1,000.00		1,000.00
Lurie and Company	2,000.00		2,000.00
Davidson and Silvestri	500.00		500.00
Elias Leider	2,500.00		2,500.00
William H. Segale	500.00		500.00
Jack D. Cordini	1,500.00		1,500.00
Arthur R. Viargues	<u>1,000.00</u>		<u>1,000.00</u>
Total	<u>\$109,000.00</u>		<u>\$109,000.00</u>

MISCELLANEOUS DEPOSITS

County Clerk			
Estate of Henry J. Byrne			
Missing Person	\$ 1,425.00		\$ 1,425.00
Recreation and Park Dept.			
North Beach Playground	25.00		25.00
Public Administrator			
Mr. Dane Conroy (Absent Heir)	25.00		25.00
Purchasing Dept.			
Green Goddess Inc.		\$ 5,000.00	

BEQUEST, TRUST FUNDS AND MISCELLANEOUS ASSETS
IN JOINT CUSTODY VAULT JUNE 30, 1958S U M M A R Y

<u>MISCELLANEOUS DEPOSITS (Continued)</u>	<u>Bonds Par Value</u>	<u>Certified Checks</u>	<u>Controller's Book Value</u>
Recreation and Park Dept.			
Pacific Catering Co.		\$ 1,000.00	\$ 1,000.00.
Lakeside Village Merchants' Ass'n.		<u>12,000.00</u>	<u>12,000.00</u>
Total	<u>\$1,475.00</u>	<u>\$18,000.00</u>	<u>\$19,475.00</u>

TREASURER

EXHIBIT "B"

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

	Fiscal Year Ended June 30th				
	1958	1957	1956	1955	1954
<u>REVENUES</u>					
Interest earned on deposit of public funds	\$1,165,020.73	\$763,679.74	\$564,287.04	\$541,617.38	\$615,018.93
Commission on Inheritance Tax Collections	52,219.18	40,000.50	40,000.00	37,709.59	31,211.21
Duplicate "Inheritance Tax Receipt" fees, etc.	103.50	123.50	119.00	99.00	86.00
Consignment money	40.00	615.00	177.00	831.00	130.00
Total	\$1,217,383.41	\$804,418.24	\$604,583.04	\$580,286.97	\$646,446.14
<u>EXPENDITURES AND ENCUMBRANCES</u>					
Permanent salaries	\$ 123,546.51	\$116,702.10	\$107,013.00	\$101,425.90	\$ 96,285.00
Allowance for overtime	175.59	165.93	213.01	293.24	467.11
Contractual services	1,810.64	3,111.51	4,517.98	3,616.67	2,219.87
Fiscal Agent - New York	13,036.62	11,631.36	11,070.90	11,616.92	11,750.00
Materials and supplies	1,107.56	1,637.47	1,798.44	1,655.14	1,667.21
Equipment	176.80	1,252.34	-	536.94	-
Total	\$ 140,183.72	\$134,530.71	\$124,673.23	\$119,144.81	\$112,389.19
Net Revenues	\$1,077,199.69	\$669,917.53	\$479,909.71	\$461,142.16	\$534,056.95

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

<u>CASH TRANSACTIONS</u>	<u>Fiscal Year Ended June 30th</u>	
	<u>1958</u>	<u>1957</u>
<u>CASH BALANCE - BEGINNING OF YEAR</u>	<u>\$101,214,888.28</u>	<u>\$ 88,168,291.43</u>
<u>RECEIPTS</u>		
Receipts	\$334,480,622.55	\$281,389,779.17
Journal Transfers (Contra)	<u>307,642,603.18</u>	<u>288,465,171.03</u>
Total	<u>\$642,123,225.73</u>	<u>\$569,854,950.20</u>
Total Balance and Receipts	<u>\$743,338,111.01</u>	<u>\$658,023,241.63</u>
<u>DISBURSEMENTS</u>		
Cash Disbursements	\$290,954,479.34	\$268,343,182.32
Journal Transfers (Contra)	<u>307,642,603.18</u>	<u>288,465,171.03</u>
Total	<u>\$598,597,082.52</u>	<u>\$556,808,353.35</u>
<u>CASH BALANCES - END OF YEAR</u> (EXHIBITS "A" AND "D")	<u>\$144,741,031.49</u>	<u>\$101,214,888.28</u>

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
<u>CASH TRANSACTIONS</u>	<u>1958</u>	<u>1957</u>
<u>CURRENT FUNDS</u>		
Cash balance - Beginning of year	\$ 58,394,658.94	\$ 56,762,233.75
Cash receipts	222,861,841.09	207,846,426.25
Journal transfers	<u>255,561,747.77</u>	<u>256,739,642.61</u>
Total Available	\$536,818,247.80	\$521,348,302.61
Cash disbursements	\$204,924,667.67	\$190,053,051.67
Journal transfers	<u>271,720,762.51</u>	<u>272,900,592.00</u>
Total Disbursements	\$476,645,430.18	\$462,953,643.67
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 60,172,817.62</u>	<u>\$ 58,394,658.94</u>
<u>CAPITAL FUNDS</u>		
Cash balance - Beginning of year	\$ 32,160,471.91	\$ 22,892,432.90
Cash receipts	53,743,550.26	24,299,054.57
Journal transfers	<u>29,800,340.24</u>	<u>12,034,267.59</u>
Total Available	\$115,704,362.41	\$ 59,225,755.06
Cash disbursements	\$ 13,903,387.04	\$ 13,478,699.89
Journal transfers	<u>33,247,459.88</u>	<u>13,536,583.26</u>
Total Disbursements	\$ 47,150,846.92	\$ 27,065,283.15
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 68,553,515.49</u>	<u>\$ 32,160,471.91</u>
<u>TRUST AND ASSESSMENT FUNDS</u>		
Cash balance - Beginning of year	\$ 10,659,757.43	\$ 8,513,624.78
Cash receipts	57,875,231.20	49,244,298.35
Journal transfers	<u>22,280,515.17</u>	<u>19,691,260.83</u>
Total Available	\$ 90,815,503.80	\$ 77,449,183.96
Cash disbursements	\$ 72,126,424.63	\$ 64,811,430.76
Journal transfers	<u>2,674,380.79</u>	<u>1,977,995.77</u>
Total Disbursements	\$ 74,800,805.42	\$ 66,789,426.53
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>\$ 16,014,698.38</u>	<u>\$ 10,659,757.43</u>
TOTAL CASH ON HAND (EXHIBIT "A" AND "D")	<u>\$144,741,031.49</u>	<u>\$101,214,888.28</u>

Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1958

OFFICE OF THE CONTROLLER

October 17, 1958

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1958

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

- Exhibit A - Balance Sheet, June 30, 1958
- Exhibit B - Statement of Surplus for the year ended June 30, 1958
- Exhibit C - Statement of Income and Expense for the years ended June 30, 1958 and June 30, 1957
- Schedule C-1- Miscellaneous Additions to and Deductions from Income for the year ended June 30, 1958
- Exhibit D - Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities, for the years ended June 30, 1958 and June 30, 1957

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1958, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

N. B. Cooper
Nathan B. Cooper
Supervisor, Utility Audits

Approved: *Harry D. Ross*
HARRY D. ROSS
CONTROLLER

EXHIBIT A

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1958

A S S E T S

Fixed Capital:		
In service	\$50,588,264.41	
Less reserve for depreciation	<u>9,941,909.38</u>	
Net book value	40,646,355.03	
Under construction	<u>1,750,880.50</u>	\$42,397,235.53
Cash:		
On deposit with City and County Treasurer	\$10,459,222.49	
Revolving Fund	<u>2,500.00</u>	10,461,722.49
Accounts Receivable:		
Federal Grants	\$ 212,702.66	
Estimated Federal Grants	\$1,007,431.69	
Less: Reserve for estimated Federal Grants	<u>1,007,431.69</u>	
Revenues accrued and other receivables (Net)	<u>418,972.34</u>	661,675.00
Interfund Accounts:		
Due from other public service enterprises		2,870.43
Deferred Charges:		
Materials and supplies	\$ 18,174.49	
Commitments (contra)	<u>2,361,314.74</u>	
Other deferred items	<u>40,215.01</u>	2,419,704.24
Total Assets		<u>\$55,943,207.69</u>

L I A B I L I T I E S A N D S U R P L U S

Bonded Debt:		
Maturing within year ending June 30, 1959	\$ 1,983,000.00	
Maturing Sept. 1, 1959 through May 1, 1973	<u>15,256,000.00</u>	\$17,239,000.00
Bond Interest:		
Matured coupons not presented for payment	\$ 1,668.75	
Accrued, not due	<u>72,861.27</u>	74,530.02
Accounts Payable:		
Outstanding warrants	\$ 415,681.69	
General creditors	225,746.37	
Commitments (contra)	<u>2,361,314.74</u>	3,002,742.80
Interfund Accounts:		
Due to general city and county	\$ 48,208.95	
Due to other public service enterprises	<u>79,137.81</u>	127,346.76
Deferred Credits		<u>279,079.28</u>
Total Liabilities		\$20,722,698.86
Surplus - Exhibit B		<u>35,220,508.83</u>
Total Liabilities and Surplus		<u>\$55,943,207.69</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT B

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

SURPLUS
YEAR ENDED JUNE 30, 1958

Surplus, June 30, 1957, annual report of Controller		\$33,803,762.48
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Add:

Contributions:

State of California, Special Aviation Fund

\$ 9,975.10

Contributions from Federal Agencies:

CAA Grants #711,812,813 and 814

584,909.14

594,884.24

Net Profit, fiscal year 1957-58 - Exhibit C

821,862.11

Surplus, June 30, 1958

\$35,220,508.83

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1958 AND JUNE 30, 1957

OPERATING REVENUES:	<u>June 30, 1958</u>	<u>June 30, 1957</u>
Air carrier Flight Operations:		
Scheduled	\$753,719.57	\$537,102.26
Non-scheduled	<u>28,583.02</u>	<u>17,205.07</u>
Total Air carrier Flight Operations	<u>\$782,302.59</u>	<u>\$554,307.33</u>
Rentals:		
Aircraft outdoor storage	\$ 11,853.28	\$ 10,159.54
Airport property		
Unimproved and paved	110,686.78	105,273.44
Expansion area	3,945.18	6,907.09
Hangars	35,181.52	35,117.52
Passenger terminal building and airmail		
and cargo building office space	674,761.09	669,169.24
Other buildings and structures	<u>66,060.26</u>	<u>66,834.38</u>
Total Rentals	<u>\$902,488.11</u>	<u>\$893,461.21</u>
Bulk Petroleum Deliveries:		
Professional fire service	\$ 27,362.11	\$ 44,741.14
Rental of tank farm area	10,836.88	10,836.88
Wharfage charges	46,945.60	41,202.77
Pipe line licenses	<u>300.00</u>	<u>300.00</u>
Total Bulk Petroleum Deliveries	<u>\$ 85,444.59</u>	<u>\$ 97,080.79</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1958 AND JUNE 30, 1957

OPERATING REVENUES - Cont'd

June 30, 1958June 30, 1957

Services, Sales, Commissions and Permits:

Public address system	\$ 3,439.24	\$ 2,554.45
Restaurant and allied services	357,642.23	323,244.44
Newspaper and tobacco counters	63,107.32	56,688.49
Taxicab and limousine permits	159,840.44	150,807.24
Parking Lot (includes parking meters)	589,781.61	452,432.83
U-Drive	300,828.25	241,907.38
Telephone commissions	19,924.61	17,635.81
Insurance vending machines	4,800.00	4,800.00
Sale of petroleum products	14,314.72	10,937.76
Shoe shine stands	4,246.69	3,889.07
Vending and weighing machines	453.22	565.70
Baggage locker commissions	13,344.68	11,617.60
Rest rooms	17,948.46	16,199.71
Automobile service station	18,602.66	17,702.65
Florist	3,443.70	3,286.94
Gift shop	27,088.87	26,812.83
Advertising displays	30,925.07	26,381.50
Children's "Merry-Go-Rounds"	801.04	771.43
Candy shop	2,522.04	2,173.87
Book shop	5,519.55	4,680.17
Photography	1,549.01	1,720.56
Barber shop	4,018.67	3,263.87
Telescopes	353.04	313.65
Porter service	3,000.00	3,000.00
Telo-Tronics Agency	750.06	834.48
Beauty shop	1,900.00	1,900.00
Total Services, Sales, Commissions and Permits	<u>\$1,650,145.18</u>	<u>\$1,386,122.43</u>
TOTAL OPERATING REVENUES	<u>\$3,420,380.47</u>	<u>\$2,930,971.76</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1958 AND JUNE 30, 1957

OPERATING EXPENSES:	June 30, 1958	June 30, 1957
Salaries and Wages:		
General and administrative	\$ 53,453.25	\$ 50,354.94
Maintenance and operations	<u>827,348.02</u>	<u>769,896.45</u>
Total Salaries and Wages	<u>\$880,801.27</u>	<u>\$820,251.39</u>
Other Costs of Operation:		
Travel expense (Business trips)	\$ 5,201.86	\$ 5,506.12
Travel expense and local fares	11.88	287.22
Employee transportation expense	16,687.14	17,872.20
Freight, express and drayage	116.26	240.09
Storage and care of vehicles	296.05	46.65
Maintenance and care of office equipment	486.23	375.89
Maintenance and care of other equipment	904.20	221.48
Heat, Light, Power - Water	76,028.30	89,638.86
Telephone and telegraph	\$35,723.84	
Less: Extension service charges to tenants	<u>23,019.48</u>	<u>11,374.53</u>
Postage	12,704.36	748.56
Printing, advertising, etc.	1,280.42	1,749.79
Newspapers and periodicals	600.47	684.15
Window Washing	4,393.60	4,063.00
Refuse disposal	\$ 6,201.00	
Less charged to tenants	<u>3,235.50</u>	<u>2,965.50</u>
Rentals of office furniture and equipment	85.00	-0-
Professional and special services	46,433.75	48,014.99
Miscellaneous contractual services	890.92	891.61
Operating material and supplies	8,837.39	8,081.56
P.U.C. - general office expense	27,367.73	25,551.55
Fire fighting expense	222,905.23	212,432.33
Purchasing department expense	4,728.05	3,933.10
Towel service	396.89	195.85
Total Other Costs of Operation	<u>\$434,069.79</u>	<u>\$431,912.46</u>
Other Costs of Maintenance and Repair:		
Runnways	\$ 22,123.58	\$ 35,530.79
Field lighting equipment	323.56	675.11
Radio equipment	2,194.34	1,751.29
Administration building	30,793.79	39,923.14
Other buildings	2,369.74	4,433.66
Automotive equipment	20,999.46	21,845.17
Other equipment facilities	8,779.44	11,655.48
Parking areas, roads, walks, fences, etc.	1,839.72	1,180.77
Power distribution system	8,689.76	11,965.57
Total Other Costs of Maintenance and Repair	<u>\$ 98,113.39</u>	<u>\$128,960.98</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1958 and JUNE 30, 1957

OPERATING EXPENSES - Cont'd.	June 30, 1958	June 30, 1957
Fixed Charges:		
Accident compensation - employees	\$ 4,763.89	\$ 4,267.55
Automobile insurance	1,701.36	2,298.74
Other insurance	22,142.60	14,120.66
Pension and retirement allowance	104,535.37	101,613.51
Taxes paid	\$ 74,008.34	
Less charged to tenants	<u>8,745.03</u>	
Depreciation	65,263.31	63,093.34
Doubtful accounts	1,037,458.19	1,034,550.22
Membership dues	4,800.00	4,800.00
	1,050.00	1,035.00
Awards, indemnities, damages and judgments	<u>-0-</u>	<u>3,758.25</u>
Total Fixed Charges	<u>\$1,241,714.72</u>	<u>\$1,229,537.27</u>
TOTAL OPERATING EXPENSES	<u>\$2,654,699.17</u>	<u>\$2,610,662.10</u>
OPERATING PROFIT	<u>\$ 765,681.30</u>	<u>\$ 320,309.66</u>
OTHER INCOME:		
Resale of electric energy	\$380,145.12	
Less cost thereof	<u>252,407.88</u>	
	\$ 127,737.24	\$ 125,147.36
Resale of water	\$ 59,295.64	
Less cost thereof	<u>54,616.83</u>	
	4,678.81	3,590.24
Sale of steam	5,375.79 (1)	4,756.27 (1)
Sewage disposal	18,264.62 (1)	16,259.09 (1)
Miscellaneous	<u>6,638.20</u>	<u>3,380.26</u>
Total Other Income	<u>\$ 162,694.66</u>	<u>\$ 153,133.22</u>
Sub-total	<u>\$ 928,375.96</u>	<u>\$ 473,442.88</u>
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense	\$ 111,466.05	\$ 138,540.00
Miscellaneous additions to and deductions from income - net (Schedule C-1)	<u>(4,952.20)</u>	<u>57,896.23</u>
Total Other Expense	<u>\$ 106,513.85</u>	<u>\$ 196,436.23</u>
NET PROFIT	<u>\$ 821,862.11</u>	<u>\$ 277,006.65</u>

(1) Cost of these items is incidental to the production for Airport general use.
No breakdown of unit costs is available.

The accompanying notes to financial statements are an integral part of this statement of income and expense.

SCHEDULE C - 1

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

MISCELLANEOUS ADDITIONS TO AND DEDUCTIONS FROM INCOME
YEAR ENDED JUNE 30, 1958

	<u>Applicable to</u>		
	<u>1957-58</u>	<u>Prior Years</u>	<u>Total</u>
Additions:			
Miscellaneous deductions from expense	\$ 55.68	\$ 695.83	\$ 751.51
Miscellaneous additions to revenue		2,386.43	2,386.43
Additional insurance recovery from fire loss at Hangar No. 1 .		<u>10,042.98</u>	<u>10,042.98</u>
Total additions	\$ <u>55.68</u>	<u>\$13,125.24</u>	<u>\$13,180.92</u>
Deductions:			
Provisions for possible uncollectibility of disputed accounts receivable:			
Western Airlines, Inc.	\$ 6,802.00		\$ 6,802.00
United Airlines, Inc.	400.00		400.00
Pan American Airways	<u>400.00</u>		<u>400.00</u>
Total	\$ 7,602.00		\$ 7,602.00
Adjustments of Fixed Capital	<u>626.72</u>		<u>626.72</u>
Total deductions	<u>\$ 8,228.72</u>		<u>\$ 8,228.72</u>
Net addition			<u>\$ 4,952.20</u>

EXHIBIT D

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY

STATISTICS

YEARS ENDED JUNE 30, 1958 AND JUNE 30, 1957

Comparative report of aircraft movements and traffic, including domestic and international activities as reported by the various sources. The accuracy of this data has not been verified by the Controller's Utility Audit Division.

	June 30, 1958	June 30, 1957	Increase Decrease (-)	%
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower:				
Carriers	127,433	129,178	-1,745	-1.4
Itinerant	36,150	34,479	1,671	4.8
Local	<u>28,281</u>	<u>40,772</u>	<u>-2,491</u>	<u>-6.1</u>
Totals	<u>201,864</u>	<u>204,429</u>	<u>-2,565</u>	<u>-1.3</u>
Number of passengers, as reported by air carriers:				
On and off	3,579,590	3,223,656	355,934	11.0
Through (No stopovers)	<u>466,934</u>	<u>461,174</u>	<u>5,760</u>	<u>1.2</u>
Totals in and out (1)	<u>4,046,524</u>	<u>3,684,830</u>	<u>361,694</u>	<u>9.8</u>
Air mail, express and freight, in pounds on and off, as re- ported by various air lines: (1)				
Air mail (2)	37,702,803	35,410,289	2,292,514	6.5
Express	8,517,441	9,195,181	- 677,740	-7.4
Freight	<u>79,756,359</u>	<u>80,291,729</u>	<u>- 535,370</u>	<u>-0.7</u>
Totals	<u>125,976,603</u>	<u>124,897,199</u>	<u>1,079,404</u>	<u>0.9</u>

Notes:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.
- (2) June 30, 1958 figure includes 9,907,671 pounds of first class mail sent by air.

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1958

Note 1. Included in accounts receivable of \$448,972.34 are certain disputed sums in the amount of \$40,115.03. This amount plus \$213,809.31 paid by Western Air Lines, Inc. under protest has been fully reserved under the account deferred credits.

Also included in accounts receivable are charges to Western Air Lines, Inc. covering landing fees for the period from September 1, 1957 to June 30, 1958 in the amount of \$87,149.11 for which no reserve has been set up.

Note 2. In addition to the amount stated in Note 1, the San Francisco International Airport was contingently liable at June 30, 1958 for various alleged personal injuries and property damages evidenced by claims filed with the Controller in the amount of \$99,060.99. During the fiscal year ended June 30, 1958 there was in force an insurance policy protecting the Airport from personal injury and property damage claims.

City and County of San Francisco
Employees' Retirement System



EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1958

FARQUHAR & HEIMBUCHER

Certified Public Accountants

220 BUSH STREET
SAN FRANCISCO 4, CALIFORNIA

January 14, 1959

To the Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

We have examined the balance sheet of the San Francisco City and County Employees' Retirement System at June 30, 1958 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves present fairly the financial position of the San Francisco City and County Employees' Retirement System at June 30, 1958 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Farquhar & Heimbucher

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments

Comments on Operations

Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1958

Exhibit B Statement of Changes in Reserves for Year ended June 30, 1958

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated February 3, 1958. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, acting under Article XVII of the charter which was adopted at the general election of November 2, 1920. The System was established to provide retirement and death benefits for public employees other than policemen and firemen, who were at that time members of a separate pension system, and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter, effective January 8, 1932, the employees of the police and fire departments were brought into the System, and the present name and administrative organization were adopted.

The System is administered by the Retirement Board consisting of seven members. They are the President of the Board of Supervisors, the City Attorney, three active members of the System elected by the membership, and two members appointed by the Mayor of whom one is an officer of a bank, and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. Francis McCarty, President of the Board of Supervisors; Mr. Norman S. Wolff, the designated representative of Mr. Dion Holm, City Attorney; Mr. William J. Murphy; Mr. William T. Reed, and Mr. Martin F. Wormuth, elected by the membership; Mr. Philip S. Dalton of Crocker-Anglo National Bank; and Mr. James Martin Hamill of Equitable Life Assurance Society of the United States. Mr. John L. Mootz is Secretary of the System.

Membership in the System now includes all permanent civil service employees of the City and County of San Francisco and the San Francisco Unified School District, certain part time employees, and certain elective officials. The present active membership is approximately 19,600, and approximately 5,070 retired employees or their beneficiaries are receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we compared members' contributions with payroll records and with established contribution rates on a test basis. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan provided under charter section 165 the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are

contributing under charter sections 165.2, 168.1 and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

<u>Department</u>	<u>Charter Section</u>	<u>Rates</u>
Municipal Railway	165.2	5.800%
Water Department	165.2	11.804
Police Department	168.1	18.112
Fire Department	171.1	25.580
All others	165.2	12.377

The above rates were computed on the basis of an actuarial survey at June 30, 1954 adjusted for charter changes and amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payment of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

Other contributions of the City and County of San Francisco represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	\$ 7,747,830
Disability retirements	2,172,389
Industrial death allowances	745,114
Death benefits to members' beneficiaries	668,111
Death benefits to beneficiaries of retired employees	<u>213,702</u>
Total	\$ <u>11,547,146</u>

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

Cash - \$ 6,913,116

Cash on deposit with the Treasurer of the City and County of San Francisco, \$ 6,913,116, was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to \$ 41,640 which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the System and have been deducted to arrive at the above cash balance. The System is presently attempting to locate the payees of these warrants and make payment to them.

Employees' Contributions In Process of Collection - \$ 645,441

The above amount represents contributions withheld from employees' salaries for April, May and June 1958 for which cash transfers were made after June 30, 1958. This amount was confirmed by direct communication with the office of the Controller.

City and County of San Francisco Contributions and Reimbursements - \$ 957,440

A summary of the balances due from the City and County of San Francisco at June 30, 1958 is as follows:

City and County contributions due from public utilities and special funds	\$ 924,708
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	29,822
Due from special funds	
Compensation costs	<u>2,910</u>
Total	\$ <u>957,440</u>

The amount for City and County of San Francisco contributions due from public utilities and special funds represents contributions for May and June 1958 for which cash transfer vouchers were made after June 30, 1958.

Contributions of policemen, made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds for compensation costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and, in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Bond Interest Accrued - \$ 1,715,895

We have satisfied ourselves by an independent calculation that the above amount of \$ 1,715,895 represents the bond interest earned but not yet received at June 30, 1958.

Estimated Future City and County of San Francisco
Contributions for Compensation Claims Pending - \$ 1,575,000

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1958. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety laws of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System from funds furnished by Special Fund Agencies and tax appropriation.

Bond Investments - \$ 209,342,345

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1958.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1958. We did not ascertain the current market value of these securities. None of the bonds owned appeared in default as to principal or interest at June 30, 1958, and all appeared to be of a character legal for investment by insurance companies in the State of California.

On the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to \$ 1,914,584 at June 30, 1958, is shown as a reserve as described later in this report.

Tax Appropriations in Excess of Requirements
Payable to City and County of San Francisco - \$ 794,305

This account represents the excess of City and County of San Francisco tax appropriations allocated to the Retirement System over pension costs incurred for the year ended June 30, 1958.

This excess is derived as follows:

Balance June 30, 1957	\$ 21,553
Tax appropriation allocated to Retirement System for year	<u>13,173,538</u>
Total	13,195,091
Fixed charges for current and prior service and other costs	<u>12,400,786</u>
Balance June 30, 1958	\$ <u>794,305</u>

The City Attorney's opinion number 881, dated September 24, 1954, provides that the excess in the appropriations made to Retirement System since July 1, 1946 is to be returned to the General Fund in accordance with Section 80 of the charter. The excess of this nature prior to July 1, 1946, \$ 257,888, has been retained in the

reserves of the Retirement System against the obligations of the City and County of San Francisco on account of benefits that have been granted and on account of prior service of members.

Credit to San Francisco Unified School District - \$ 464,636

In the election of November 5, 1957 Section 165.4 was added to the charter. This section provides that if a teacher or other employee of the Board of Education resigns and withdraws his accumulated contributions during or after the fiscal year ended June 30, 1957 and within ninety days after such withdrawal retires under the State Teachers' Retirement System of California, the contributions which the San Francisco Unified School District would be required to make to the City and County Employees' Retirement System on account of service rendered by employees of the Unified School District shall be reduced. The amount of the reduction shall be equal to the actuarial equivalent of the current service pension portion of the allowance to which that person would have been entitled from the Retirement System had he retired instead of resigning. The balance to the credit of the School District at June 30, 1958, \$ 464,636, has been derived as follows:

Credits at February 4, 1958	\$ 2,045,354
Additional credits at May 31, 1958	<u>70,379</u>
Total credits	2,115,733
Deduct Current service charges	
February	329,906
March	328,920
April	330,700
May	329,686
June	<u>331,885</u>
	<u>1,651,097</u>
Credit to San Francisco Unified School District at June 30, 1958	\$ <u>464,636</u>

Compensation Costs Payable - \$ 260

This item represents City Attorney fees payable relating to compensation claims.

Accumulated Contributions of Former Members - \$ 23,261

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions but not yet presented for payment.

Advances From Private Sources - \$ 4,425

The above represents unexpended amounts received from various organizations for actuarial valuation expenses pertaining to proposed legislation affecting the retirement statutes.

Estimated Liability for Compensation Insurance
Claims Pending - \$ 1,575,000

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Reserves for Current Service Benefits
Already Granted - \$ 61,528,445

This account represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law an actuarial valuation of these reserves is made every six years based on current mortality and interest rates.

Such an actuarial survey was made as at June 30, 1954 upon which the above amount was based.

Reserves for Current Service Benefits
Not Yet Granted - \$ 144,077.421

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amount to \$ 68,086,699. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1958 at the rate of two and three quarters per cent.

Statements of accounts as at June 30, 1958 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

City and County of San Francisco accumulated contributions, \$ 75,990,722; for the benefit of present members not yet retired are reflected in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1958 interest was credited to this account at the rate of two and three quarters per cent.

Reserves for Death Benefits on Deposit - \$ 8,815

This amount represents death benefits which the beneficiaries have voluntarily left on deposit with the Retirement System. They are being paid to the beneficiaries in monthly installments.

Other Reserves - \$ 12,672,669

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded, \$ 2,508,547; consists of unallocated funds retained by the System, as provided by an ordinance effective June 30, 1946, plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited. Allocations are made from these funds for financial statement purposes to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the redeposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1957			\$ 2,330,960
Increases			
Contributions released on withdrawal of active members		50,729	
Contributions released on death of active members		30,796	
Interest credited		130,851	
Amount allocated to the reserve for disability pensions			
Required at June 30, 1957	2,427,197		
Required at June 30, 1958	<u>2,386,659</u>	<u>40,538</u>	<u>252,914</u>
Total			2,583,874
Decreases			
Death benefits paid to beneficiaries of matching plan members		75,307	
Amount transferred on account of redeposit of members' contributions withdrawn			
		<u>20</u>	<u>75,327</u>
Balance at June 30, 1958			\$ <u>2,508,547</u>

Unallocated earnings from sale of bonds \$ 1,914,583 represent the unabsorbed portion of book profit from the sale of certain bonds. This reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds

Year ended June 30, 1943	\$ 400,421	
1944	1,418,102	
1945	3,207,543	
1954	31,051	
1955	<u>57,766</u>	5,114,883
Profit applied for fourteen years ended June 30, 1957		<u>2,949,693</u>
Balance undistributed at June 30, 1957		2,165,190
Profit applied for year ended June 30, 1958		<u>250,607</u>
Balance undistributed at June 30, 1958		\$ <u>1,914,583</u>

On the books of the System this reserve is carried as a valuation reserve against the amortized value of bond investments.

Contingency reserve against adverse experience \$ 8,249,539, represents interest earned on investments in excess of the amount allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of \$ 3,200,300 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1957		\$ 7,194,955
Bond interest earned	6,141,591	
Prior years' profit on sale of bonds applied during the year	250,607	
Interest earned on City and County of San Francisco balance	889	
Other income	<u>64,157</u>	<u>6,457,244</u>
Total		13,652,199
Less Interest credited to all accumulated contributions and reserves		<u>5,402,660</u>
Balance at June 30, 1958		\$ <u>8,249,539</u>

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

BALANCE SHEET AT JUNE 30, 1948

ASSETS

CASH

RECEIVABLES

Employees' contributions in process of collection
City and County of San Francisco
Post offices and postclosures
Bond interest
Estimated future City and County of San Francisco
contributions for compensation claims pending
(contra)

\$ 6,913,116
645,441
957,440
1,715,895
1,575,000
4,893,776

BOND INVESTMENTS AT AMORTIZED VALUE

(PAR VALUE \$ 210,148,500)
United States Government
California municipalities, school districts, and
other divisions
Municipalities other than California
Railroads
Railroad equipment trusts
Railroad terminals
Public utilities

66,408,480
17,629,148
3,443,672
329,047
27,556,318
2,510,571
94,427,132
209,342,345

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

BALANCE SHEET AT JUNE 30, 1948

LIABILITIES

LIABILITIES CURRENTLY PAYABLE

Tax appropriations in excess of requirements
payable to City and County of San Francisco
Credit to San Francisco Unified School District
compensation costs payable
Accumulated contributions of former members
of the system
Estimated liability for compensation costs
(contra)

\$ 794,305
484,636
23,260
4,425
1,575,000
2,861,887

RESERVES

For current service benefits already granted

Service retirements
Annuities
Pensions
Disability retirements
Annuities
Pensions
Industrial death allowances
Annuities
Pensions
For current service benefits not yet granted
Members' accumulated contributions
Normal - general
Police
fire
Additional

11,295,095
32,278,531

1,150,155
13,678,647
229,178
2,856,852

54,836,287
6,855,293
6,167,345
227,774
63,086,699
75,990,722
144,077,421
8,815

City and County of San Francisco

accumulated contributions

For death benefits on deposit

Other

City and County of San Francisco

contributions reserved for prior and

current service benefits not otherwise

covered

Unallocated earnings from sale of bonds

Contingency reserve against adverse

experience

2,508,547
1,914,583
8,349,539
14,077,669
221,449,277

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1953

STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1953

MEMBERS' CONTRIBUTIONS

Normal
General 6,834,912
Police 755,042
Fire 1,575,235
Administrative 38,169
Redeposit of withdrawn contributions 16,638

\$ 11,097,763

CITY AND COUNTY OF SAN FRANCISCO

REGULAR CONTRIBUTIONS

Current service reserves

General 7,910,893

Police 1,975,235

Fire 2,103,921

Current service benefits 12,335,099

Police 176,905

Fire 1,247,919

For service benefits 1,071,011

General 852,261

Police 989,691

Fire 1,532,942

INCOME

Bond interest earned 3,394,194

Other 6,141,991

6,206,636

16,977,472

501,667

31,989,743

257,262

244,405

257,262

Total reserve additions forward

501,667

31,989,743

257,262

244,405

257,262

501,667

31,989,743

257,262

244,405

257,262

501,667

31,989,743

257,262

244,405

257,262

501,667

Total reserve additions (forward)

DISBURSEMENTS TO MEMBERS AND

BENEFICIARIES

Allowance and benefits

paid 8,303,973

from accumulated contributions

Members 1,898,328

City and County of

San Francisco 5,006,366

From City and County

of San Francisco 4,642,452

current payments 11,947,146

Monthly death benefits

installments 960

Accumulated contributions

withdrawn 1,577,167

13,485,273

244,405

ADMINISTRATIVE EXPENSES PAID

(CONTRA)

COMPENSATION COSTS INCURRED

(CONTRA)

Weekly benefits 153,238

Medical expenses 259,729

Premiums 3,327

Administrative expenses 139,769

Less Subrogation recoveries

and refunds from

special funds 23,475

182,507

257,262

13,986,940

18,002,808

200,284,542

61,528,445

144,077,421

8,815

12,672,662

218,287,350

Total

218,287,350

218,287,350

218,287,350

218,287,350

218,287,350

218,287,350

218,287,350











